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CUBAN SANDINIST NAMED HEAD OF NONALINED DEPARTMENT

Aloma Heads Nonalined Department

[Editorial Report FL] Havana Domestic Television Service (Channel 9 only) in Spanish at 0100 GMT on 21 September carries videotape of interview with (Ernesto Aloma). The unidentified Havana TV interviewer identifies (Aloma) as a Sandinist "combatant" and a Cuban who was born in Cuba and taken to the United States by his parents at age 12. Later in the interview, the interviewer reports that (Aloma) will be in charge of the nonalined movement section in the Nicaraguan Foreign Ministry.

(Aloma), dressed in Sandinist uniform, begins by explaining details of his departure from Cuba 2 years after the triumph of the revolution and his life in Miami, Boston and California. He stresses that he experienced prejudice in the United States. He explains that while in California in the late 1960's he participated in the anti-war movement and later hid for 2 years from the FBI in order to avoid being drafted to fight in Vietnam. Continuing, he says that after the Vietnam war he attended Los Angeles City College but left it later because courses such as history "were manipulated." Instead, he studied the Cuban revolution and what it stood for until he met a group of Sandinists in San Francisco in early 1975 and with them joined a committee of solidarity with Nicaragua.

After outlining details of the work of the committee, with which he worked until September 1978, (Aloma) says he joined "the armed struggle in Nicaragua" through Costa Rica in 1978. He spends the next 5 minutes explaining details of the fighting, primarily on the southern front where he fought.

He goes on to give his impressions of the nonalined countries summit and current problems of the Nicaraguan Government which he identifies primarily as needs for foodstuffs and housing. In closing he calls the help being given to Nicaragua by Cuban teachers and doctors "tremendous,"



## Aloma Interview

Havana Domestic Television Service in Spanish 0100 GMT 21 Sep 79 FL

[Interview with (Ernesto Aloma), Nicaraguan Foreign Ministry nonaligned movement section chief, by unidentified reporter in Havana "during the nonaligned countries summit"--recorded]

[Excerpts] [Question] It is a pleasure for national television news today to carry an interview with Comrade (Ernesto Aloma), combatant of the Sandinista National Liberation Front. (Ernesto Aloma) is not for us Cubans just a Nicaraguan combatant of the thousands who fought and won in Nicaragua and those who died. (Aloma) is a Cuban, born in our country and taken out of our country at age 12 by his parents who went into exile. My first question to Comrade (Aloma) concerns this aspect I have mentioned. In other words, how he left Cuba and how his revolutionary and Sandinista awareness was developed in the United States?

[Answer] First of all I want to thank you and all the comrades who are interviewing me. [no other reporter seen] I want to convey a fraternal greeting to all the Cuban people and to all viewers who are seeing us now. Regarding your question, it is a broad one and I will try to be as brief as possible. I was 10 years old at the triumph of the revolution. My father was a combatant in the Sierra Maestra. I spent 2 years in Cuba after the triumph of the revolution and witnessed the initial period of the revolution--agrarian reform, urban reform and all the changes that took place at the beginning of the revolution. When the revolution began a radical change and took the socialist path, my father decided to leave for the United States because he had been an anti-communist all his life. And since he decided to leave, he took with him his wife and two children. I was one of them. By that time I was 12 years old. He took us to the United States. I was not asked if I wanted to go or if I wanted to stay here. It was a big cultural shock for me taking me out of here and to the United States, a place that was so completely different with such a rare, strange and foreign culture for me. From the beginning I felt badly, left out, isolated.

After I left Cuba, I spent about 5 years in Miami and then went to the north, to Boston, where I continued my studies and working. I felt better there because the North Americans in the north tend to be more sophisticated in behavior and in their dealings with us who are not North Americans. I felt a little better there but I began to feel restless and anxious to return to my country. And in Massachusetts I began to be interested in and read about the Cuban revolution.

This was around 1968. By that time, the movement for peace and against the Vietnam war began in the United States. And this movement was stronger in the West, in California. For this reason, I went there and began to participate openly in this movement which also developed as a movement against the establishment and in favor of the ethnic minorities and black minority.



The FBI was looking for me to go into the army and I remained underground for 2 years hiding from the FBI so as not to go to the war in Vietnam. All this time I remained quite active in demonstrations and meetings we conducted in San Francisco, California, until the war ended. When the Vietnam war ended I was able to come out of operating clandestinely and I joined other movements, other types of activities.

I continued my studies at the university, at Los Angeles City College, where I studied Latin American history, political science, psychology and other subjects. I had to leave the university because, as you know, education in the United States always is given their way. They manipulate the subjects, they manipulate history and always to justify their system and justify the oppression and violations they exercise over a large part of the North American people. Being very disappointed with this type of education, I left the university and began to study on my own. I continued to study the Cuban revolution, Che [Guevara], leaders of the revolution, foreign policy of the Cuban revolution and philosophy of the revolution.

During this time I met some Sandinista comrades who were living in San Francisco--Comrade (Walter Ferreti) who now is Comdr Chongo; Comrade (Raul Benerio) who now is commander of the Sandinista air force; Comrade (Adolfo Solano) who now is in the army; and (Casimiro Sotero) who is one of the [presumably group] 12. In this way I joined a committee created in San Francisco, California, in early 1975. This committee was in solidarity with the people of Nicaragua whose function primarily was publication of a newspaper, the Sandinista GAZETTE, selling bonds to raise funds for Nicaragua, obtaining all types of medicine, especially medicine that would cure mountain leprosy [as heard] because some comrades were suffering from this disease in the mountains, and obtaining whatever rifles we could get, compasses and some military equipment which we sent to Nicaragua. I worked with these Sandinista comrades from early 1975 until September 1978 when I joined the struggle. I went to Costa Rica in September 1978 and joined the struggle by means of the contacts I had made in San Jose. We began training on the border between Costa Rica and Nicaragua. We spent 3 months in training. After about 3 months of training we then left to take part in the fight against the national guard and the frontal fight in the mountains, particularly in the (Benjamin Seledon) southern front to which I belonged. There we were under the command of Comdr Eden Pastora Gomez and the front was divided into several columns. At first, I was under the command of Comdr Andres and later under Comdr Emilio, in other words, Javier Pichardo. He was one of the commanders who came here on 26 July to represent the front here in Cuba [for Cuban revolution anniversary].

[Question] Turning to another subject, (Ernesto), and keeping in mind that you were part of the official Nicaraguan delegation to this [nonaligned countries] sixth summit, what importance do you attach to the holding of this summit in Cuba, especially since you are going to be or you are in charge of the nonaligned section in the Nicaraguan Foreign Ministry?

[Answer] This sixth summit has been of tremendous importance. I would say that this nonaligned movement is like a representation of a revolution but at the world level. It is a revolution that is taking place and still has not been carried out because the movement still does not have all the necessary countries to make it sufficiently strong. But it is like a revolution that will have tremendous repercussions when it takes place. The Third World has most of the world's population, most of the natural resources and most of the land. When we truly unite, as Fidel Castro said, when the movement unites we are going to have a political and economic force not seen ever before in the world.

[Question] What are the principal tasks which the revolutionary Sandinista government of Nicaragua is now facing?

[Answer] The problem that the Sandinista government is facing and the problem that all of us who in one way or another are involved with the government are facing basically is an economic one. We need approximately 300 tons of foodstuffs daily to feed the Nicaraguan population and we are receiving between 50 and 100 tons daily. In other words, there is a food deficit and many people still do not have anything to eat. We could say that this is the fundamental problem we have now. We also have a housing problem. Nicaragua, I mean Managua, as you know, was destroyed in 1973 by an earthquake, and Somoza, instead of building did nothing because he put all the money in his pocket, and Managua is like a field divided by different roads, empty lots everywhere and destroyed homes. The situation is worse in other parts of the country. For example, the city of Rivas has been practically destroyed by the bombings. There are also the cases of the cities of Leon, Masaya, Matagalpa and the city of Esteli which is the one in the worst situation. So, this housing problem is a basic one that we must resolve but if there is no money for food how can we take care of the housing problem.

[Question] What is your evaluation of Cuba sending about 1,000 teachers to participate in the educational campaign that will be undertaken in Nicaragua and the participation of Cuban doctors who are giving public health assistance in that country?

[Answer] Well, regarding the Cuban teachers that will be sent to Nicaragua, that is going to be a tremendous help for the Nicaraguan people. We over there have a 65-percent illiteracy rate. In other words, about 600,000 Nicaraguans are illiterate out of a population of approximately 3 million. [figures as heard] We, and I say this in a certain way representing the Nicaraguan people, are highly grateful for this gesture of the Cuban Government and people. We always have thought that Cuba has been our best ally, and now it is our best friend. I think we always have to be deeply grateful for the sending of Cuban doctors because that is another fundamental need we have in Nicaragua. Almost all the big hospitals that existed in Nicaragua have been destroyed by the bombings and many doctors have left the country. Thus, we need that assistance urgently, and this is something for which we are deeply grateful to Cuba, for this solidarity with the Nicaraguan people. I do not know if you want to say anything else or close this interview.

[Question] Well, I think that Comrade (Ernesto Aloma) has thoroughly answered all these questions that are so interesting to the televiewing public. It only remains for us to thank him for his participation and wish him a pleasant journey to Nicaragua and success in his work at the Nicaraguan Foreign Ministry.

CSO: 3010

## INTER-AMERICAN AFFAIRS

### EXILE INTERVIEWED ON THE SOMOZA-TORRIJOS CONNECTION

Caracas EL NACIONAL in Spanish 19 Sep 79 p D-12

[Report on interview with Col Amado Sanjur Atencio, the man who led a coup in Panama against Torrijos 10 years ago, in Miami, by special EL NACIONAL correspondent Ezequial Diaz Silva; date not given]

[Text] Miami, Florida, U.S.A., 17 Sep--The foremost enemy of the chief of the Panamanian National Guard has said in Miami during an exclusive interview for EL NACIONAL that the U.S. military base in the Panama Canal Zone will be stronger with the new treaty.

- Col Sanjur Atencio was the man who led a coup in Panama against Torrijos 10 years ago.

- He said: A few days before, Torrijos had sent me to Caracas to hire some thugs to kill another of his military enemies.

Gen Omar Torrijos has been accused by his public enemy number one, Col Amado Sanjur Atencio, of having betrayed Anastasio Somoza Debayle during the last weeks of the Nicaraguan dictatorship.

The Panamanian colonel, who was born in the province of Chiriqui, received his military education at the Officers Training School of the Venezuelan National Guard and was a member of the "Araure" class which graduated in 1954.

Amado Sanjur Atencio was the Panamanian National Guard officer who instigated a coup against Omar Torrijos almost 10 years ago, taking advantage of the fact that the man who had headed the overthrow of President Arnulfo Arias had gone to Mexico with three friends--a man and two women.

When Torrijos regained power in Panama he sent Colonel Sanjur Atencio to military prison along with other National Guard officers, among them Abraham Crocamo, a Panamanian lieutenant.

Sanjur Atencio said: If we recall how Omar Torrijos returned to Panama after spending several days in Mexico with Demetrio Lakas--an engineer--and two women friends, it should be known that his great ally was Anastasio Somoza Debayle, who at that time was head of the Nicaraguan National Guard. Without Somoza's help it is doubtful that Torrijos could have gone back to Panama.

Sanjur Atencio explained that when Torrijos left without prior authorization for Mexico he traveled on a commercial airline which regularly flies between Panama and Mexico.

Sanjur Atencio continued: When he found out what had happened in Panama, where a group of National Guard officers had taken over the country to prevent him from returning from Mexico, Torrijos immediately traveled to Managua, Nicaragua. In Managua he met with Anastasio Somoza and told him what was happening. He asked Somoza for the aid he needed. Somoza made available to him a special plane which took him to an air base in Panama, where he arrived accompanied by Demetrio Lakas, an engineer who at that time was chief of the Office of Social Security of the Panamanian Government.

According to Sanjur Atencio, Somoza was also supposed to give Torrijos military aid if the latter were captured upon returning to Panama and expelled from the National Guard.

Sanjur Atencio added: Torrijos should not have intervened in the war against the Somoza dictatorship. That is why he was not loyal. He has betrayed Somoza, who saved him so that he could remain at the head of the Panamanian Government. I imagine that the Sandinistas who overthrew the Nicaraguan dictatorship do not know about the alliance which existed for many years between Somoza and Torrijos.

On 15 December 1969 a group of Panamanian National Guard officers decided to make the move against Torrijos. The provisional government which had overthrown Arnulfo Arias on 11 October 1968 was comprised of Colonels Jose Pinilla and Bolivar Urrutia, but the men who had masterminded the plot were Omar Torrijos, who was then a lieutenant colonel, and Maj Boris Martinez.

Sanjur Atencio noted that Arnulfo Arias was elected president of Panama in May of 1968, but did not take office until 1 October 1968. He added: As Arnulfo Arias was beginning to organize his government, a series of rather strange things happened. Many National Guard officers heard rumors to the effect that Arnulfo Arias was planning to do away with the National Guard, Panama's foremost military force. Weeks before the date on which Arias was to take over the government, high-ranking National



Guard officers close to President Arias began making tours of inspection every night, which was also strange. These tours were on a widespread scale, which was rarely done at the barracks. Then the coup began to be plotted. I was then a major and Torrijos was a lieutenant colonel, Colonel Sanjur recalled.

Arnulfo Arias also violated the sovereignty of the people who elected him president, since the representatives elected to the National Constituent Assembly were replaced with Arias' friends.

Sanjur Atencio continued: At that time the military strongman in Panama was Brig Gen Bolivar Vallarino, who was head of the National Guard. Arias made him retire and this was another thing that lent credence to the rumor that the National Guard was to be eliminated. For all these reasons Arias was overthrown on 11 October 1968 after having been in power only 10 days.

[Question] Why did Torrijos lead the movement to overthrow Arias?

[Answer] Because of his seniority as an officer, but not because of his ability.

Colonel Sanjur admitted that his actions against Torrijos while the latter was enjoying the "good life" in Mexico in December of 1969 were not directed against the two colonels who made up the government military junta.

Sanjur Atencio continued: At that time the man who was presiding over the junta telephoned Panama's ambassador in Mexico to tell him not to let Omar Torrijos return to Panama. Instead, the diplomat called Torrijos, informed him of what was happening and told him to find a way to travel back to his country, but not to do so on a commercial flight from Mexico City to Panama. Then Torrijos went to Managua, where he asked Somoza for the help he needed and was granted it.

[Question] Did Torrijos speak to you in December of 1968 [sic]?

[Answer] He telephoned me from Mexico. He told me I was a traitor and said: "We are going to have a very bitter fight."

When Torrijos returned to Panama he expelled Amado Sanjur and the other officers who had plotted against him from the National Guard and sent them to prison. Sanjur was accused of stealing \$100,000 from the National Guard treasury.

Colonel Sanjur explained: That money was left in one of the desk drawers at the unit under my command. Torrijos had given me this money earlier so that I could travel to several Central American countries to put out propaganda selling Torrijos' image abroad.



We then asked Sanjur about Omar Torrijos' brand of politics.

Sanjur answered: Torrijos' brand of politics makes no sense. One day he leans toward the right and the next toward the left. Here is one clear example: while Somoza was in power, Torrijos was always one of that dictator's allies and then later betrayed him.

We asked Sanjur whether Torrijos is a millionaire.

Sanjur Atencio answered: There is absolutely no doubt about it. His fortune may amount to some \$70 million, and there is no mistake about this figure. He invests the money he has through other people in gambling, in shipping transactions and in other enterprises outside of Panama. I imagine he has as much money outside of Panama as Somoza does outside of Nicaragua.

Col Amado Sanjur also remembers his prison term after his attempt to overthrow Torrijos failed. He said that he was tortured by being beaten with a rifle butt.

On 4 December 1968 [sic], before leaving for Mexico, Torrijos asked Colonel Sanjur to carry out a special mission in Venezuela.

Sanjur continued: Torrijos looked upon Capt Abraham Crocama as one of his bitterest enemies and the latter was stripped of his National Guard officers rank and expelled from Panama. Torrijos gave to me personally a considerable amount of money in dollars so that I could hire some thugs in Venezuela who would kill Major Crocama, who is still in exile in Caracas.

[Question] Did you carry out the mission?

[Answer] Not at all. I went to Caracas, spoke to the major and let him know that Torrijos had sent me to look for gunmen for hire to kill him. I immediately returned to Panama.

Sanjur Atencio also described Omar Torrijos as a fascist and said he is doubtful that the economic plight of the Panamanian people will improve with the new treaty between Panama and the United States. He added: The military base which the United States has in Panama will not disappear. On the contrary, as of next 1 October U.S. military strength will increase.

In 1973 when the 10th American Conference of Army Commanders-in-Chief was held in Caracas there were rumors to the effect that Amado Sanjur Atencio has been in Venezuela organizing an assassination attempt against Torrijos, who was to lead the Panamanian delegation to this conference. At the last minute Torrijos decided not to attend the conference because a few hours he was scheduled to leave for Caracas he received word of the plot.

In this regard, Sanjur Atencio explained: The rumors were false. I have not traveled to Venezuela again since December of 1969. I love that country dearly since that is where I carried out my military studies and I am a member of one of the biggest classes ever to graduate from the National Guard Officers Training School.

Sanjur lives in Miami with his wife and children. He is involved exclusively in small business transactions in the field of national and international trade.

9494

CSO: 3010

GUERREIRO: ITAIPU, CORPUS AGREEMENT POSSIBLE SHORTLY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Sep 79 p 6

[Text] New York--Foreign Minister Ramiro Saraiva Guerreiro asserted yesterday he is convinced that an agreement to make the Itaipu and Corpus hydroelectric projects compatible can be signed soon. "To achieve a consensus, it will not be necessary for Brazil, Paraguay and Argentina to relinquish any of their essential interests," he said, but he preferred not to comment upon the basic points of the Brazilian proposal.

Warmly applauded for his speech opening general debate at the United Nations, Guerreiro's first congratulations were received from Argentine Foreign Minister Carlos Pastor himself, as the Argentine delegation is seated very near the Brazilian desk. It was the first time they had met personally since Pastor was in Brasilia representing his nation at President Figueiredo's inauguration.

Guerreiro announced that he will meet informally with Pastor and with the Paraguayan foreign minister, Alberto Noguez. "We do not expect, however, that agreement will be reached as if by magic through our mere simultaneous presence at the United Nations. There are many technical details to be worked out, but I am optimistic because I believe we will be able to reach a consensus regarding the fundamental interests of the three parties."

Although pressed by reporters, Guerreiro declined to say whether the two reserve turbines represented an "essential interest" of Brazil or whether they could be "forgotten" in exchange for consensus by the three parties. "It has never been hard to reach an agreement because major concessions were never necessary. On the contrary, there was always an agreement to combine advantages for all sides."

If it was always to everyone's advantage, a reporter wanted to know, why had the agreement not yet been signed? "The negotiations are complex because they involve factors such as flexibility of operation, navigability of the river and rate of flow at Itaipu; they are well-advanced, lacking only a few details." Guerreiro declined to specify what details were still lacking because "discretion is a negotiator's best weapon."

He confirmed, however, that he has been in touch with Pastor and Noguez by telephone in recent months to smooth some of the rough edges of the agreement. "Brazil did not have a specific and final proposal, but we submitted some ideas to Paraguay first and later to Argentina. Both sides received the Brazilian proposals well and, within these parameters, the foreign ministries have been working intensely. As they see it, we have reason for optimism," he said.

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CSO: 3001

INTER-AMERICAN AFFAIRS

BRIEFS

LOANS FOR ITaipu--Asuncion--The binational Itaipu enterprise obtained a \$160 million loan from a consortium of U.S., European and Japanese banks. Itaipu directors Enzo Debernardi, for Paraguay, and Jose Costa Cavalcanti, for Brazil, will soon go to New York, where they will sign the loan contracts. [Excerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Sep 79 p 6] 8834

CSO: 3001

'LA PRENSA' SAYS CARTER SPEECH ON CUBA 'WEAK, VACILLATING'

Buenos Aires LA PRENSA in Spanish 5 Oct 79 p 8 PY

[Editorial: "Carter's Vacillating Speech"]

[Text] A thorough reading of the speech President Carter made last Monday in connection with the Russian brigade in Cuba, makes one wonder whether it was addressed to "those outside" or to "those inside," that is to say, to U.S. public opinion or to the Soviet Union. His speech was weak and vacillating and its contents lead one to believe that the proximity of the 1980 presidential campaign and the controversy surrounding the SALT II treaty had a decisive influence on the speech. A vibrant speech was not expected, even less an irate one, but it was believed that it would be strong, decisive and firm. Instead, he announced a set of military measures, some deterrent, some protective, but all of them preventive.

Carter's repeated reference to Soviet promises that the Russian brigade "is not a combat unit" is a contradictory element within his speech. In fact, if what the Soviet Union says is true and nothing is threatening the U.S. security, then what is the point of sending more soldiers to Guantanamo, increasing surveillance over Cuba, stationing a joint U.S. force in Cayo Hueso, Florida, increasing the rate of U.S. maneuvers in the Caribbean, increasing intelligence operations, and promising the Latin American nations that they will be safe from Soviet military aggression?

These announcements will certainly fail to change the course of Havana's policy in the Caribbean and Central America, nor will it lessen Moscow's attacks on the area, now that it knows that its 3,000-man-strong brigade will not be bothered and that Fidel Castro will preside over the nonaligned bloc for the next 3 years. Few believe that Cuba, regardless of the military aid it may get from the Kremlin, could be a military threat to the United States. This is not the problem, the problem is that the Russian troops in Cuba constitute a "symbol." To this "symbol" Carter has reacted by implementing apparently strong measures which are merely compensatory actions designed to satisfy the concern and even the protests of certain U.S. political sectors.



Moscow could give Washington no other answer than the one it did, that is, that the brigade "is not a combat unit," meaning that it is not powerful enough to invade the United States or even to give rise to military or compromising situations for any country in the area. But neither can we accept the oversimplification that the troops are there for training.

Once we have reached this point we begin to guess. There are enough reasons to hazard the guess that the presence of Russian troops in Cuba is designed to create diversion and confusion at the U.S. domestic front. If it is true --as some U.S. senators believe--that the presence of USSR troops in Cuba jeopardizes the ratification of SALT II, and since it is also true that the approval of this treaty is vital for the Soviet Union, Moscow would then be working against its own interests. Why is it then that something which is worrying the United States does not concern the Soviet Union at all? Could it be that the Kremlin is sure beforehand that the presence of its troops in Cuba will not jeopardize the Senate's favorable vote on the approval of SALT II?

At this point it is not entirely unreasonable to believe that the Soviet Union is hoping that the United States will fail to ratify SALT II, thus enabling it to accuse the White House of "warmongering behavior." And if despite everything and at whatever the cost, disregarding the African adventure, the "Cubanization" of the Caribbean, and the destabilization of Central America, the U.S. Senate were to ratify SALT II, it would be obvious that the Soviet Union is able to impose its terms on the United States.

Thus, President Carter has left the matter of Russian troops in Cuba unsolved, letting the Soviet decision stand.

We have now arrived at the unfortunate status quo in which Moscow is the only winner. For a whole month the U.S. officialdom was in hellish turmoil over the Soviet maneuver. Finally, after thinking out beforehand how much should be placed on each plate of the scales, Carter has made up his mind to speak. He satisfied a few and displeased a lot.

This apparently concluded episode allows us to say that the center of international politics, outside the confrontation between the United States and the Soviet Union, has been almost imperceptibly shifting from Europe, Asia and Africa toward the Caribbean and Central America. It could well be that, with the exception of the 1962 missile incident, the political and military base from which attacks are perpetrated against the peace of the continent and the balance of world power has never been so close to the territory of the United States.

CSO: 3010

UCR ASKS FOR A NEW POLITICAL COURSE

Buenos Aires NOTICIAS ARGENTINAS in Spanish 1123 GMT 5 Oct 79 PY

[Text] Buenos Aires, 5 October (NA)--The Radical Civic Union [UCR] has asked for "the initiation of the democratization process which the armed forces have promised to implement and which should lead to the full validity of the constitution, without delays or hesitation."

The UCR also asked for "the reign of the state of right, including the functioning of political parties and professional, labor, employer and youth organizations" and repeated that "the maintaining of restrictions is working against internal peace and national coexistence."

The political party also states that the requested democratization should also lead to "recognition of popular sovereignty, the only source of legality, through balloting which should not be impaired by proscriptions, conditioning or speculative gradual developments."

The position of the UCR, contained in the "guidelines" drawn up by a coordination commission of the party, was made known yesterday as a preliminary step to the coming publication of a political document, according, to statements made in UCR circles.

In these guidelines it is said that "the UCR will not accept the intention of inserting norms in the constitution which impair the democratic bases inspiring it or which harm its system of rights and guarantees."

The UCR says: "The urgent need to institutionalize the country, to promote the integral development of the nation and to carry out the effective occupation of national space are incompatible with the intention to maintain the present power pattern for a longer time than could be reasonably required by the serious emergency experienced by the country."

The UCR also requests "a change of course in the economic strategy, a new direction of policy, based on the strengthening of basic industry, improvement of infrastructure, defense and promotion of agrarian production, correction of the geographic disequilibrium and industrial reconversion to improve efficiency."

The document then emphasizes that inflation is leading to "the disintegration of the nation and despair among large sectors of the population whose standard of living is below decent levels" and proposes that "a monetary economy" be introduced again.

It further proposes the drawing up of "an income policy which insures just salary levels for the workers and other sectors of economic activity and which also restores to the workers the real salaries which have been lost in the last few years and increases those of the low-income sectors."

The UCR then asks for a system of labor unions inspired "by a philosophy of democracy and participation," and regarding foreign policy it asserts that "the government should take into account that only democracy gives prestige to the nations," because "our recovery will be impossible unless this is appreciated."

CSO: 3010

ARGENTINA

JUSTICIALIST LEADER DOES NOT WANT POLEMICS WITH BALBIN

Buenos Aires NOTICIAS ARGENTINAS in Spanish 1205 GMT 5 Oct 79 PY

[Text] Buenos Aires, 5 October (NA)--Deolindo Bittel, present vice president of the Justicialist Party, appealed today to party leaders not to answer recent statements issued by Ricardo Balbin "regarding certain attitudes of the Justicialist Party."

This appeal is included in a communique issued from Resistencia, Chaco Province, by former Senator Armando Caro, who is the current president of the Justicialist Party Discipline Board.

This communique states that it was learned that a group of Justicialist Party figures had decided to refute the opinions issued by the Radical Civic Union [UCR] leader.

Bittel does not specify what statement he is making reference to, but everything leads to the belief that he is referring to Balbin's statement about a recent multiparty declaration.

Bittel adds: "Guided by the highest principle of not shattering an agreement between the civilian, political and democratic sectors, I wish you would suggest to our fellow party members that it is my wish not to indulge in polemics."

He notes that "the UCR party, like other expressions of political thinking in Argentina, is a valuable element in the civilian sector. Therefore, an occasional disagreement with its leadership cannot obliterate the desire to undertake a task which will help us to achieve the realization of our ideals."

CSO: 3010

## BRIEFS

**FACTORIES RETURN TO NORMAL**--Buenos Aires, 15 October (NA)--The operations of three factories which had been experiencing labor-management conflicts for the past few days returned to normal today. In the meantime other enterprises are still affected by strong-arm measures from workers who are demanding salary improvements. It has been confirmed that at Sniafa, a textile plant located in Hernandez, near La Patma, workers resumed their tasks today after 10 days of "sit-down strike," because the enterprise agreed to reinstate 39 dismissed workers and grant a 43-percent salary hike, plus a 100,000-peso bonus FMR productivity. In the factory "Libertador Motors," formerly Gilera Argentina, the workers went to work this morning after reaching an undisclosed agreement with the employers. The Textile Factory Ducilo, in Bernal, has discontinued its "slow-down" strike which began last Friday, because the management has decided to grant a 16-percent salary hike beginning in October and two 5,000-peso bonuses, one payable this month and another in November. [Excerpt] [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1615 GMT 15 Oct 79 PY]

**SUPPORT FOR CUTA**--Cordoba, 11 October (NA)--The so-called leadership board of the Cordoba Workers Movement has expressed support for the declaration recently issued by the United Leadership of Argentina Workers (CUTA) and the demands made in this declaration. The position of the local organization was disclosed by means of a communique signed by Manir Fatale, trade workers; Geronimo Suarez, wood workers; Alfredo Reyes, waiters and related workers; Manuel Rodriguez, telegraph workers; Juan Blasis, oilworkers; and Juan Carlos Romero, metallurgical workers. In this communique the so-called "Commission of Six" urges "the workers to maintain unity and solidarity." [Excerpt] [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1330 GMT 11 Oct 79 PY]

**SIT-DOWN STRIKE**--Buenos Aires, 8 October (NA)--All of the 600 workers of the "Libertador Motors" enterprise (formerly Gilera Argentina) today called a sit-down strike to demand an emergency wage increase and the reinstatement of eight dismissed workers, union sources reported. The problem will be considered tomorrow at 1000 by the Lomas de Zamora Labor Office, which called a meeting of workers and employers to seek a solution to the conflict which began this morning. It has been reported that although the conflict erupted only this morning "the problem has been going on for 2 months since the enterprise promised to earmark, monthly, 50 percent of the sales proceeds from 250 motorcycles for wage increases." [Excerpt] [Buenos Aires NOTICIAS ARGENTINAS in Spanish 0131 GMT 9 Oct 79 PY]



## BRAZIL

### SIGNIFICANCE OF PERUVIAN PRESIDENT'S OCTOBER VISIT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Sep 79 p 6

[Text] Brasilia--Yesterday Itamaraty announced the official visit to Brazil of Peruvian President Division General Francisco Morales Bermudez in October at the invitation of the Brazilian Government. The communique was given simultaneously in Lima and Brasilia at noon.

During Bermudez' stay in our country a treaty of friendship, cooperation and trade is to be signed expressing the philosophy of good relations between our two countries in a comprehensive document. According to diplomatic sources, it is expected that Peru will officially confirm the instruments ratifying the Amazonian Pact approved by the Council of Ministers last week.

Within the Brazilian diplomacy of rapprochement with Latin America, Itamaraty attaches great importance to Brazilian-Peruvian relations because of three factors which bring the two countries very close. First, we have the major emphasis both countries are giving to Amazonian development making that region an important link in our cooperative efforts. Exemplifying this spirit, Bermudez and Beisel met on board warships anchored in the Solimoes River in December 1976, and their conversations resulted in 14 pacts and cooperative accords, most of which concerned Amazonian subjects.

The second factor concerns the overall Latin American policy which both countries have been promoting in recent years on the international level--moderate but quite nationalistic. On the one hand, Peru is tied in with the effort of the Andean Group to give political dimension to the activity of that group, an instrument of economic integration above all else. That initiative was particularly successful with regard to the Nicaraguan crisis in which the Andean nations took over the leadership in the OAS adopting a position which was fully supported by Brazilian diplomacy.

Simultaneously with this line, Brazil is promoting greater cooperation among developing countries with particular emphasis on uniting the efforts of the Latin American nations to achieve greater international political weight



and economic integration. In this manner, Itamaraty is trying to strengthen Brazil's ties with Venezuela, Mexico and Peru and resolve its differences with Argentina.

#### Redemocratization

The third factor of rapprochement is connected with the domestic efforts both countries are making to become redemocratized. Peru is the last of the three strong South American governments to try institutionalization. Ecuador has just elected a civilian president and Bolivia arranged for a conciliation candidate to take office for a provisional term. Peru elected a constituent assembly which drew up a modern and socially advanced constitution including direct elections for a president next May. The Brazilian process is less advanced, but the open-door policy amnesty are democratic measures headed in the same direction.

Within that framework Morales Bermudez' visit will represent an important step toward political dynamization, strengthening Amazonian cooperation, Latin American democratization and the political action of that area in international markets, promoting better international trade conditions and combating the protectionist measures of industrialized countries.

On the bilateral economic level, trade is increasing going from \$26 million in both directions in 1971 to \$136 million in 1976; it is expected to reach \$200 million this year. As a result of the liberalization of the Peruvian import policy, Itamaraty believes that this exchange may increase greatly in the next few years. Brazil principally purchases fishing products and minerals, such as zinc and copper and sells foodstuffs, consumer goods and equipment. The department of trade promotion is currently preparing for Brazil's participation in the Pacific Fair to be held in Peru in October.

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## BRAZIL

### FIGUEIREDO'S NOVEMBER VISIT TO VENEZUELA VIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Sep 79 p 5

[Text] Brasilia--Itamaraty and the Planalto Palace confirmed yesterday that President Figueiredo will pay Venezuela an official visit before the end of the year. Although the date has not yet been set, it is quite possible that the trip will be made in November when Brasilia's diplomatic calendar shows fewer commitments.

The choice of a neighboring country for Figueiredo's first official visit was already expected in Brasilia's diplomatic circles due to the priority status of Brazil's foreign policy being given to the Latin American countries. After the good results of Foreign Minister Ramiro Saraiva Guerreiro's visit to Caracas at the end of July, the decision to visit Venezuela was perfectly natural.

The signing of a memorandum of understanding in the nuclear sphere, opening the way for broad cooperation in the mining and processing of uranium as well as in the engineering and heavy elements of reactors, represented a most impressive victory of Brazilian diplomacy on that occasion. "It must be remembered that the difficult period in Brazilian-Venezuelan relations during the Geisel government was specifically tied in with differences of opinion in the nuclear domain," an Itamaraty source points out.

"In economic terms the document is also highly important in that it represents an opportunity for Brazil to lower the costs of its nuclear program by selling equipment and technology as well as cooperation in other aspects of nuclear energy," the news source explained. Also in the energy sector, heavy oil in which Venezuela is rich offers good possibilities of cooperation with Brazil which has already developed similar technology for use in the processing of bituminous schist.

#### Oil

With regard to the possibility of purchasing light oil, Itamaraty does not have much hope of obtaining more than the 50,000 barrels per day specified in a contract drawn up between PETROBRAS [Brazilian Petroleum Corporation]

and PETROVEN [Venezuelan Petroleum Company] during Gueirrero's sojourn in Caracas. "The Venezuelan contractual availabilities are small despite the country's daily production of 2.2 million barrels, since it supplies a substantial part of the requirements of the United States, its traditional customer," the diplomatic source stated.

In addition to trade, the sectors of services, financial operations and consulting offer good possibilities for cooperation through joint ventures with local firms to carry out programs of sizable governmental projects, such as the second phase of the Guri hydroelectric plant; the bidding for this contract was won by the Camargo Correia firm in the amount of \$1.2 billion.

In view of their growing importance in the political sphere on the international level, Brazil and Venezuela need to have closer relations within the strategy of greater bilateral cooperation in order to strengthen the developing countries as a whole. Although the foreign ministries of the two countries reject the hypothesis of the formation of a Brasilia-Caracas axis, there is no doubt that the political and economic interests shared by the two nations are creating a special relationship. In this context, Figueiredo's visit should represent an important factor of diplomatic rapprochement.

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## BRAZIL

### FOREIGN MINISTRY DENIES PARTICIPATION IN 1971 BOLIVIAN COUP

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Sep 79 p 5

[Text] Yesterday Itamaraty formally denied any Brazilian participation in the coup which overthrew Gen Juan Jose Torres' regime in Bolivia in 1971. At the same time, a former military minister in the Medici government asserted in Rio that, on that occasion, Brazil gained 27,000 square kilometers of Bolivian territory, thus confirming the denunciation made by former Minister Marcelo Quiroga in Congress in La Paz. Meanwhile, he denied that this was compensation for help given Gen Hugo Banzer in the overthrow of Torres.

Counselor Bernardo Pericas, spokesman for the foreign ministry, said that Brazil remains "scrupulously" faithful to the principle of nonintervention and, therefore, "could not participate in any action which would obviously be interference in Bolivia's domestic affairs."

According to Geisel's former minister, what took place was a correction in the delimitation of borders, not an expression of gratitude for the alleged support in the form of weapons which the Brazilian Government supposedly gave Gen Hugo Banzer to overthrow the then President Juan Jose Torres.

The same information source doubts Quiroga's assertions that Brazil allegedly gave that type of collaboration to the group which planned the military coup in Bolivia. Air Marshal Mario de Souza e Mello, minister of aeronautics in the Medici government at the time, said he was astonished at Quiroga's statements and asserted that he remembered "absolutely nothing." And he added, "If that type of collaboration had occurred, I would have been aware of it, don't you think?"

#### Collaboration

The former minister's denunciation in the Bolivian Congress resulted in a discussion which lasted 7 hours. According to him, in addition to Chile, Brazil also aided Banzer. The coup occurred in August 1971 when Garrastazu

Medici was president, Marshal Mario de Souza e Mello minister of aeronautics, Adalberto de Barros Nunes minister of the navy, and Orlando Geisel minister of the army.

According to the Brazilian military official contacted by O ESTADO DE SAU PAULO, Quiroga's assertions are imaginative: "Brazil has never sent planes or weapons to Bolivia; it may have given some other type of collaboration but not that. Otherwise, we would have known about it. As for the 27,000 square kilometers of Bolivian territory, that involved a historic error which was corrected by Minister of Foreign Affairs Azeredo da Silveira back in the Geisel government and therefore long after the coup. At that time, current Minister Saraiva Guerreiro was secretary general of that ministry. "Such territorial exchanges are routine. Not long ago, Brazil gave Paraguay a small island which that country had been claiming for decades."

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CSO: 3001

PETROBRAS PRESIDENT UEKI ON NATION'S ENERGY CRISIS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Sep 79 p 60

[Article by Shigeaki Ueki, president of PETROBRAS [Brazilian Petroleum Corporation]: "Is PETROBRAS Responsible for the Energy Crisis?"]

[Text] The other day the shrewd and intelligent politician Governor Antonio Carlos Magalhaes said, with much justification, that "there are too many people talking about what they do not understand."

In the field of energy, throughout the world and specifically in Brazil, that phrase by the noted public official fits like a glove.

Today everyone is talking about energy. We cannot deny that it is an unquestionable right. Even that of making inaccurate statements. But that right creates to an equal degree the right to defense against criticisms that are unjust, if not totally absurd.

The absurd opinions die a natural death and need not be answered. But, unfortunately, unfair criticisms based upon falsehoods have come from persons whose responsibility cannot be denied and, because of the repercussions they could have, must be answered.

One unjust accusation is that which holds PETROBRAS responsible for the crisis the nation is now facing. Let us look at the facts.

Until 1953, the year that PETROBRAS was created, Brazil imported crude petroleum and refined products. It had no petrochemical industry and was completely dependent upon the international oil companies, the famous "majors." Well before 1953 several developed and developing countries had already established successful state petroleum enterprises in pursuit of greater economic and political independence. If we investigate the reasons leading France to establish its Total and Elf-Aquitaine; Great Britain, its British Petroleum; Italy, its ENI [National Hydrocarbons Agency]; Mexico, its PEMEX [Mexican Petroleum]; and so forth, we will learn that they were the same ones that led Brazil to establish PETROBRAS.



During its 26 years of existence, PETROBRAS became a great company, as a petroleum enterprise naturally must be. It met the nation's needs fully in the industrial sectors of refining and petrochemicals, of transport and supply. It is thanks to PETROBRAS that the nation has effectively confronted the series of crises in world petroleum supply. All parts of the national territory, even the most distant, are having their needs for petroleum derivatives met, thanks to the silent work of our faithful employees. Despite their great and constant effort, however, PETROBRAS has not achieved the desired success in exploration and production.

To blame PETROBRAS technicians and administrators for the modest exploration results achieved thus far is to criticize without knowing the problem.

Technicians and experts the world over know that exploration is a high-risk activity whose results depend upon the caprices of geology and not just human will. If finding petroleum were an easy task the world would not be in a crisis and there would not be but 13 exporting nations among the nearly 160 throughout the world. In short, 92 percent of nations are importers, despite the great prospecting effort that practically all of them are making.

PETROBRAS did find enough petroleum to produce 170,000 barrels a day currently and, with the new reserves, it expects to produce 500,000 barrels a day in 1985. South Africa, meanwhile, despite its great effort and the billions of dollars it has spent over several decades, has not yet managed to produce even one barrel. Should South African technicians and administrators be blamed for the lack of petroleum in their country? Our neighbor, Paraguay, has so far been in a similar situation, even though it borders on two oil-producing countries. Could this be due to the incompetence of the multinational firms' technicians who are drilling there?

PETROBRAS technicians are now known in the petroleum world to be competent and the many years of association we have had enable us to assert loudly and clearly that no one can deny the enthusiasm, sense of responsibility and patriotism with which they pursue their work. The competence of these technicians has even been proven abroad: the best example is the Majnoon discovery in Iraq with reserves of about 7 billion barrels and considered the largest discovery in recent times.

Could it have been, then, that the administration has been denying them sufficient funds for seeking petroleum during all these years? That is not true either. They always had full support.

Some critics have frivolously accused President Geisel of having diverted the company's attention from petroleum exploration and production to other industrial activities such as refining, transport, marketing, petrochemicals, fertilizers, distribution, etc. Such accusations are very procedural and not very substantive.

Here are the facts and figures that refute them.



Facts: In view of the negative results from exploring onshore basins using the methods and technology available at the time (1969), PETROBRAS geologists could scarcely justify new areas for exploration.

The seismographic method, the most important in structural surveying, had not reached levels of development that made it possible to obtain suitable results. Other nonconventional methods were used and the indicated structures tested. The conclusion was that, as a matter of fact, Devonian layers, the principal objectives of the drilling, were not structurally present in the areas chosen for testing.

Should anyone have doubts as to the difficulties encountered in the Brazilian Paleozoic basins, it suffices to consult large international petroleum companies such as Shell, Esso, Elf and others. After 10 years of technological development and with much deliberation, Shell and Elf decided to sign service contracts with risk clauses for exploring an area of about 50,000 square kilometers in the Middle Amazon Basin. Despite the large number of wells drilled, PETROBRAS had discovered oil fields only in the Bahian Recôncavo and the Sergipe Basin. In the other basins the results had been discouraging. The company's hopes were then turned to the continental shelf, but much prudence was required there because costs were much higher and the work called for much more sophisticated technology. Even so, President Geisel decided that seismic surveys were to be made throughout the extent of the continental shelf and, overcoming the difficulties, PETROBRAS bought and leased offshore drilling rigs. Offshore seismic technology had not been developed until the beginning of the 1960-70 decade. We had made seismographic surveys on the Brazilian continental shelf during 1962, with poor results. Even so, this effort resulted in our discovering the Guaricema Field in Sergipe in 1968, our first find, immediately upon drilling the second offshore well.

PETROBRAS began offshore exploration at almost the same time that the developed countries did and, thanks to that initiative, we have already discovered a considerable reserve of petroleum. Thus, beyond being able to maintain the level of production--which had been declining recently--the company can now guarantee, with the new reserves, an increasing production, although far from the desired amount.

Today, with the accumulated experience, with more promising indications and the competition of international companies that participated in the risk contracts (also authorized by President Geisel), Brazil ranks as the nation with the world's second-largest number of offshore exploratory wells.

General Geisel, in the presidency of PETROBRAS as well as in the presidency of the republic, always believed that increasing domestic petroleum production and developing alternative energy sources such as alcohol were of the greatest importance, so that Brazil would be less vulnerable. He never neglected these sectors. And we owe to his uncommon administrative skill the fact that Brazil during his administration became self-sufficient in refining and petrochemistry, at the same time that the company's transport

capacity increased considerably. As a strategist he drafted the essential guidelines to assure supply and, thanks to the wisdom of that policy, our nation was one of those that suffered the least impact from the crisis.

Let us now look at the figures:

From 1964 to 1968--that is, during the 5-year period previous to the administration of President Geisel in PETROBRAS--the company drilled 1,255 wells, of which only 3 were offshore. During the 1969-74 period, the total was only 884 wells, but 173 of these were offshore. In terms of financial and technological effort, there is simply no comparison between drilling onshore and drilling offshore. Even after the crisis--that is, during the 1974-78 period--with the help of additional offshore drilling equipment and with all the effort made during that time, the total number of offshore wells dug was 377.

In 1968 we had eight seismic teams. In 1969 that number was increased to 11, and it reached 13 in 1973.

From 1964 to 1968, there were 28,386 kilometers of seismic lines launched. During the 5 following years--the period of Geisel's management--PETROBRAS launched 117,494 kilometers of seismic lines, which resulted in new areas and discovery of new oilfields in Brazil. Offshore, from 1955 to 1968 there were 12,564 kilometers of seismic lines launched, and from 1969 to 1973 there were 95,486 kilometers installed.

However, the best indicator of the company's activities, because it aggregates accomplishments, is the amount of investment in constant currency. Thus, investments in exploration and development of production were always increasing since its beginning, but during the Geisel administration in PETROBRAS they took on renewed vigor, which was especially pronounced compared to the accomplishments of the previous period. Whereas between 1965 and 1969 investments in exploration and production grew about 9 percent, going from 4.7 billion cruzeiros to 5.1 billion cruzeiros, in the 1969-73 period the increase was 42 percent, from 5.1 billion cruzeiros to 7.3 billion cruzeiros in real terms.

It is noted that in March 1970, through Decree-Law No 1091 ("Paragraph i"), the company obtained additional funds specifically earmarked for investment in petroleum exploration. It was thus possible for the Geisel administration, without jeopardizing the growing rate of exploration and production investments, to also increase investments in the other segments of the petroleum industry and keep pace with the exceptional expansion of the domestic economy at an 11.5 percent annual rate, minimizing the resultant pressure on domestic demand for petroleum derivatives and its effects on the balance of payments. The amount of effort is thus to be judged not simply by the number of wells or meters drilled, but by the kilometers of seismic lines, the nature of the drilling and the amount of investment, all of which are also important factors to be analyzed.

## Conclusion

It must be made quite clear that these statements made to establish the truth are far from representing any criticism of the administrations previous to that of President Geisel, as we know that the same combative spirit guided the presidents who preceded him and who were greatly devoted to exploration and production.

We believe, however, that, without discrediting the other administrators, it was in the Geisel administration that PETROBRAS was really consolidated as an efficient petroleum company and became respected as an enterprise on the same level as the world's other great oil companies.

As its current president, hence the one with the most responsibility, complying with the guidelines laid down by President Joao Figueiredo and Mines and Energy Minister Cesar Cals and with the support of all who work in PETROBRAS, we will do everything to fulfill the mission that has been entrusted to us.

A CPI [Congressional Investigating Committee] was created in the Chamber of Deputies, at the request of the opposition, to investigate the company. We are sure that PETROBRAS will have an excellent opportunity to show how much it has done, is doing and will do to benefit our nation. We believe that many who are now its critics will become its supporters and thus support Law No 2004, which created the state monopoly in this sector and whose 29th anniversary we will observe on 3 October.

Shigeaki Ueki, former minister of mines and energy, is the current president of PETROBRAS.

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CSO: 3001

## BRIEFS

VISIT OF AFRICAN MINISTERS--Brasilia--Itamaraty announced the visit next week of Ivory Coast Foreign Minister Simeon Ake, Sri Lanka's Foreign Minister A. C. Shahul Hameed and Zaire's State Commissioner for National Orientation, Culture and Arts Umba-Di-Lutete. Simeon Ake will arrive in Rio de Janeiro on 10 September by Varig's inaugural flight which will add Ivory Coast capital Abidjan to the Lagos-Rio de Janeiro route. He will preside next to Saraiva Guerreiro over the committee which will investigate economic cooperation between his country and Brazil. Sri Lanka's foreign minister is to arrive in Brasilia on 13 September on his return from the Conference of Nonaligned Countries and desires to talk with the Brazilian Government on international subjects in the political and economic spheres. Zaire's Commissioner of Cultural Orientation Umba-Di-Lutete is arriving in Rio on 10 September and his conversations will be mainly in connection with the MEC [Ministry of Education and Culture], especially in reference to scholarships and student exchanges. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Sep 79 p 5] 8568

CSO: 3001

COLUMNIST ANALYZES TYPE OF DEMOCRACY NATION NEEDS NOW

Santiago LA TERCERA DE LA HORA in Spanish 19 Aug 79 p 3

/Article by Pablo Rodriguez Grez/

/Text/ In the last few months the favorite theme of the opposition party is the so-called struggle for a "return to democracy." An attempt is being made to impose this idea--emphasized beyond all reason--by taking advantage of the mental inertia of those Chilean who, as has always happened, are swayed more by propaganda than by conviction.

Among the examples they cite the situation of Spain, which for 40 years was under an authoritarian regime which, after the death of the "chief," underwent a process of "opening up" which has turned back the political history of the peninsula to 1933. This case demonstrates, it is insisted, that authoritarianism creates greater evils than those one is trying to avoid. What happened in Spain, however, is completely different. What destroyed the modern Spanish state were neither exiled politicians nor decadent ideologies, but the successors and heirs of Franco himself, who, betraying the principles they had sworn to respect and thanks to which they came to power, have again made room, in a legal way, for communism.

King Juan Carlos and the president of the civilian government are nothing more than a projection of Francisco Franco, without whose will the first would still be in exile and the second lost in anonymity. As a great Spanish nationalist has said so well, "liberal politicians did not break down the door of the government to take it by assault; rather, the most important people in the regime opened the door from within." So much for them and their historic responsibility. The fact is that every day, anguish, terrorism and discontent become more rampant, and those who would like to see the generalissimo resurrected become more numerous.

Nicaragua is another outstanding example. A government imposed by imperialism 4 decades ago and replaced by that same imperialism when it was no longer necessary to it cannot serve as an experience for Chileans. Rather, it should give cause for reflection to those who, allied with the United States, are attempting to impose a predetermined political system on us. The same thing



might occur to them as occurred to Somoza, if they are successful and come to power through foreign influence and its underground tentacles.

No less picturesque is the euphoria with which the reestablishment of democracy has been received in Peru, Bolivia and Ecuador. Each one of these peoples has lived its own reality, which differs substantially from our own. None of them has yet found the political model which best suits its way of life. To measure Chile by what is happening in Bolivia, Peru or Ecuador is one more manifestation of the blindness and superficiality of leaders who have failed, who came to power as an alternative to Marxism and in the end surrendered, ominously, when the latter scarcely had the support of one third of the people.

I think the countries of this continent are not suited to "liberal democracy", which presupposes a maturity which no people on earth has reached, much less nations such as those of South America, which have been systematically exploited by imperialism, plutocracy or demagoguery. It is childish to base a political regime on giving representation to the foremost ideological currents, in circumstances in which the great majority are absolutely ignorant of these philosophical postulates which, in addition, hide perfectly defined, but well-camouflaged interests. That is the truth.

Chile's experience over the last 40 years demonstrates that the national electorate in general has voted without regard for ideologies which, however, have been the basis of the representative system. The candidates, once in power, broke the promises they made so generously during their campaigns and, what is much more serious, the victory uniformly favored those who used demagoguery or money to convince the unwary and innocent voters. It is not an accident that for 60 years a half-dozen names were foremost in public life and that they fought it out exclusively among themselves for leadership of the government. Nor is it a coincidence that hollow and ill-intentioned slogans--the broom, austerity, revolution for freedom, the Chilean way to socialism, community socialism, the noncapitalist development model and whatever other hoaxes the publicity people could find to deceive the citizens--served successively as bait. This is the democracy of which Frei is bragging and to which he would have us return, as if the past could be revived and his failure forgotten.

#### The Democracy Chile Needs

The military government, by definition, is temporary. Nobody expects that the armed forces will stay in power indefinitely, or that we civilians will be locked out forever. What is required of the armed institutions is the discharge of their commitment, which is not limited to eliminating Marxism from the democratic scene, as is pretended by those politicians who are only interested in satisfying their bastard personal ambitions. The mission of the armed forces is to found a new democracy which will deliver to the great majority the determination of our historic destiny. A true democracy is characterized by finding a channel of political expression which effectively



represents the will of the nation. Anything else is falsehood, formalism and deceit.

In this effort, true liberator of the people's sovereignty, only two instruments for the generation of power are necessary: regional representation, which interprets the needs and concerns of all corners of our territory, and functional representation, which gives room in the political system to intermediate bodies, that is, to those who organize in defense of the material and spiritual interests of all the inhabitants of this land, with no exceptions.

A parliament which is divided between members of one party and another will never be representative of Chile, because ideologies are foreign to the working man and woman. Altogether different is a parliament made up of true regional representatives, capable of expressing the problems of the Chilean environment from one extreme to the other, and by syndicate, union, school, professional, university, federation, confederation, etc., representatives, because these bring to public power the initiative and the will with which this country is being formed and created from day to day.

This real and informal democracy is a death sentence for professional politicians, for the exploiters who always monopolize influence by using money, for speculators and userers. A law generated by this state power is indeed a manifestation of the sovereign will and not that of an all-powerful group which manipulates the party politicians, and eventually the government, from the shadows.

This is the democracy that Chile needs and which the military government should implement in a constitutional statute of transition approved by the people. Anything else is a return, in the medium or long run, to the same miseries of the past.

8735

CSO: 3010

EDITORIAL DISCUSSES DEBATE REGARDING ECONOMIC SITUATION

Santiago EL MERCURIO in Spanish 6 Sep 79 p A3

[Editorial: "The Economic Situation"]

[Text] The debate on the economic situation often becomes confused because of the different angles from which the parties involved view the problem. Critics generally do not attribute great importance to empirical facts, preferring to maintain the debate on a purely speculative level. For their part, the defenders of the current economic policy place emphasis on hard, cold figures, casting aside the speculations of the opposition as being without any grounds in actual fact.

The critics of all positions describe the current economic situation as being capitalistic in nature, in which income is concentrated and there emerge monopolies, large landholdings and economic groups which accumulate capital. The Chilean economic is allegedly clearly liberal and the state reportedly does nothing more than to play the role of guardian of order.

The supporters of the current experiment sustain that the Chilean economy is of the mixed type in which while there is a large share of private initiative, the state is still by far the main owner and economic manager. They confirm this by adding that public spending is among the highest in the world, which is shown by the extremely high tax rates on added value, income, social security assessments and the tax which inflation actually comes to represent. This sector also asserts that while there is greater price freedom than in the past, there is still control of monopolistic prices and that the greater domestic and foreign competition impedes or strongly limits concentration, the harmful practices of economic groups and the formation of monopolies.

An analysis of the situation shows that the role of the Chilean Government is greater than that of any other country which bases its growth on private enterprise and the market and that it is similar to the role of many countries that call themselves socialistic. The facts indicate that the greater competition has eliminated innumerable monopolistic practices that were customary in the past. They also show that the large landholdings do not exist and that on the contrary, there is an exaggerated subdivision of land

resulting in extreme poverty for the tiny landowners. It is a fact that there do exist economic groups, but there is no proof about trends toward concentration or monopolistic practices. There are not many reports of such things.

The critics base their evaluations on previously held concepts that do not coincide with what the figures show. The same thing has happened in debate on the economic policy. Inflation is discussed but the official price index is denied. The salary and wage index is also refuted. There is doubt about figures on increased employment and growth of the product. The most diverse comments are made about income distribution and unfortunately, criticism of this point has a great impact given the lack of good figures to shed some light on the problem. And yet, one has the impression that even if these figures were undebatable, the criticism would continue because the a priori dogma says that things can never get better.

The economic debate is almost a dialog of deaf mutes because while some reproduce statistics, others cling to the nineteenth century criticism of the capitalism of that time. Only recently, after 5 years of debate, have there been some advances. And yet, such progress is rapidly disqualified in the face of the inevitable regressive tendency of the current model.

The critics should lend more importance to modern social sciences and empirical evidence. For their part, the defenders of the current experiment should be concerned with improving the deficient information available and explain more clearly the operation of contemporary free economies.

11,464  
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JUNTA ECONOMIC POLICIES SEEN TO CAUSE PROBLEMS

Santiago LA TERCERA DE LA HORA in Spanish 9 Sep 79 p 3

[Article by Pablo Rodríguez Grez]

[Text] The military government of Chile has been defined as nationalist. Its primary objective is to establish a new political system which will protect democracy from the interference and dangers to which it is exposed by the permanent aggression of international Marxism. This goal does not appear easy to achieve as long as certain factors which weigh heavily on the evolution of the regime are not corrected.

I have state repeatedly that in this first stage the technical formulas applied by the civilian team that manages the economy have redounded invariably to the exclusive benefit of an ever small group, to the detriment of the consumer masses. This phenomenon--which I have described in detail in several previous articles--is causing a formidable concentration of income which will distort our development and have disastrous social and political consequences. Is this very difficult to understand?

It is true that the inflationary process has been slowed, but after 6 years this has been only partially achieved and at an immeasurable social cost through the expedient of causing a vertical drop in the people's level of consumption. It is equally true that nontraditional exports have increased through the opening of the country to the world economy, which has required that domestic prices be on a par with international prices, as well as an unstable and even indefinite exchange policy.

The Role of the State

The underdeveloped countries, in my opinion, cannot transform the market simply through the assignment of resources, nor can they open their economies brusquely and indiscriminately, because the growth so obtained is unbalanced as a consequence of a demand whose composition differs substantially from one sector to another. Ever since Minister Cauas--now president of the Bank of Santiago--announced the application of this principle, the distortion in income distribution has been spectacular, widening

the gap between the owners of financial capital and sources of production, on the one hand, and those who live on wages and salaries, on the other. So it is that, without being "socialist," he has committed the mortal sin, for economic liberalism, of maintaining that the state must not intervene directly in the means of production; but neither must it renounce instruments which, like tariffs, credits and taxes, serve adequately to channel resources to the areas of greatest social yield. In the same way, the opening of the international market has meant a notorious real shortage of articles for popular consumption, traditionally cheaper in Chile than in other countries. It will be said, doubtless, that with the previous plan, more rapid growth was prevented and the country's poverty concealed. This is true, but that was morally and socially more just. What I am calling for, consequently, is the adoption of measures to alleviate this additional sacrifice by our countrymen whose incomes are most modest, who have seen their standard of living affected as their incomes decrease. Is this very difficult to understand?

#### Self-Sustaining Economic Model

I insist on a vital fact that the "economists" refuse to recognize and which can render useless all those efforts realized: The economic model being constructed will not be capable of sustaining itself politically. It has, in my opinion, the solidity of a house of cards which will collapse when the first democratic breeze blows. I am afraid that the tensions which have been generated recently and which are not visible because of the nature of the emergency regime--which has been in force for 6 years--will render illusory the consensus required by a true political democracy. To pretend to give consistency to the model through prohibitive constitutional norms or technical organisms with special privileges--like the Central Bank in the Ortuzar plan--is a naivete comparable only to the statute of guarantees by which the Christian Democrats delivered up the Chilean Government to Castro-Communism.

I am in favor of free enterprise, and I believe that it is not favored by a system which, instead of making it efficient and competitive, converts it into a source of social injustices. Hence my constant concern that formulas for "participation," at least, will be implemented, thus minimizing the class struggle, which will reappear with greater intensity if its causes are not fought and are, on the contrary, met with specious arguments.

A social market economy does not exclude direct intervention by the state, and presupposes the effective participation of the workers in the productive process. The German economy is the best example of what I am saying. Between that model and the one which is beginning to emerge in our country there is an unsalvageable difference. Everything indicates, then, that ours is no more than a "market economy" which will cause insuperable social differences and draw us into dangerous political tensions. Does it require an act of opposition to the military government or one of loyal contribution to avoid this, when it is already time to correct the errors? Fortunately it is

not the people on the economic team who are called upon to make the distinction.

#### State Economy

It is repeatedly stated that our economy still maintains a large number of state enterprises. Most of them are of a strategic character, or are the residual of the social area--created by Marxism--or the private sector is not yet in a position to manage them. To transfer them to the private sector would further accentuate the distortions being criticized or would permit transnational capital to take possession of our important wealth, such as copper--nationalized with the support of all Chileans--or petroleum--developed with enormous fiscal sacrifices.

In summary, my critical observations lead to three questions which are jeopardizing the success of this administration: the discord which exists among the political hypotheses and the economic realities; the accumulation of wealth in the holdings of small financial groups, a fact which is worsened by factors inherent in the model, and the dangerous accentuation of the social discontent which stimulates class struggle and again leaves us undefended against Marxist strategies.

8735

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LONQUEN BODIES REBURIED IN MASS GRAVE; ARCHBISHOP PROTESTS

Santiago EL MERCURIO in Spanish 15 Sep 79 p C3

[Text] The unidentified remains of 14 bodies found in Lonquen were buried in a mass grave in the Maipo Island cemetery yesterday.

The transfer of the remains to Maipo Island was ordered by the Second Military Prosecutor's Office, which arranged for burial there in keeping with the law, inasmuch as that was the place of death.

The only body identified, that of Sergio Adrian Maureira Lillo, was provisionally buried in a separate grave so that it could be turned over to relatives.

The order from prosecutor Gonzalo Salazar to the Legal Medical Institute for transfer of the remains to the local morgue on Maipo Island was issued early yesterday afternoon and immediately carried out. The task was the responsibility of the director of the Institute, Dr Claudio Molina, and subordinate personnel. Two of the Institute's cars were used for the purpose.

While the prosecutor's orders were being carried out, a group of persons gathered at the Franciscan Monastery Church to take part in a funeral service organized for the purpose of proceeding to bury the remains in the general cemetery.

However, the measure from the Military Prosecutor's Office created confusion among relatives, who went to the Vicarage of Solidarity to inquire into the situation and receive legal counseling aimed at clarifying matters. Later, the relatives of the Lonquen dead gave a press conference in order to give their version of the events, saying that the bodies had been arbitrarily taken from the Legal Medical Institute to be buried in a common grave on Maipo Island.

In the meantime, several hundred persons gathered at the Franciscan Monastery Church to participate in the religious service planned. The atmosphere was one of tension.

## Prosecutor's Office

The text of the resolution and that of the official note from the prosecutor were released to the press by attorney Gustavo Villalobos.

According to the text made public, the resolution states as follows: "To be carried out. The Legal Medical Service is hereby instructed that, in accordance with the existing legal provisions and regulations, the resolution is to be strictly adhered to. To be announced officially in writing."

The official note, which bears number 1,288 and which was sent to the Legal Medical Institute, states: "With respect to case 200-79, it has been ordered that you be instructed to proceed to turn over to relatives or the next of kin the identified remains, as stated in the existing legal provisions and regulations, on Maipo Island.

"Consequently, you will turn over the remains of Sergio Adrian Maureira Lillo to his relatives following verification of their relationship through the proper documents. The service will make the proper entry in the Civil Registry for the respective legal purposes.

"Since it is impossible to identify the remaining bodies, they shall be buried, in accordance with the law, on Maipo Island, inasmuch as that was the place of death.

"Sincerely, Gonzalo Salazar."

## Vicarage

Attorney Gustavo Villalobos said that when it was learned that the burial had already taken place, Hector Contreras was appointed to go to the Maipo Island cemetery and verify the fact.

He said that at about 1900 hours, he had filed a "complaint against prosecutor Salazar with the Military Court because he did not comply with the court's order." We are asking, he added, that "the error be corrected by returning the bodies to relatives. The way in which this is to be done will have to be decided by the Military Court," he said.

Villalobos said that a few days ago, the Military Court issued a resolution which states as follows: "It is hereby resolved that the case prosecutor should turn over the human remains found in the course of the investigation to persons proving their legal relationship to the dead."

Concerning the identification of remains, he said that "this was noted and clearly shown in the record, which is why the statement made by the military prosecutor to the effect that only the remains belonging to Sergio Adrian Maureira Lillo were allegedly identified seems to us to be contradictory."

## Statement by Archbishopric

The Archbishopric of Santiago has issued the following statement:

The Archbishopric of Santiago, moved by an event which seems inconceivable and cruel with respect to the Lonquen victims, believes that it is its unavoidable responsibility to state the following:

1 -- Public opinion should be notified that the relatives of the missing prisoners have sought their loved ones by means of countless legal and administrative means, without any results.

2 -- The Church has been with them throughout their long and painful Calvary. Both publicly and privately, it has countless times gone to the highest authorities in the country, without obtaining any response.

3 -- In recent days, relatives have waged hunger strikes, seeking at least a minimum response to their legitimate petitions. They have been supported by fasts and the prayers of bishops, priests, religious and lay people. These actions came to an end when the judgment of the Military Court was announced on 11 September, ordering that the remains of the Lonquen victims be returned to relatives.

4 -- On 13 September, the second military prosecutor stated that the proper official notice had been delivered so that relatives could claim the remains of their kin at the Legal Medical Institute.

Because of the foregoing information and at the request of the direct relatives, it was decided to hold the funeral mass at 1500 hours today, Friday, at the Franciscan Monastery Church.

It was not possible either yesterday afternoon or all day today to obtain the notice in question, despite the countless attempts made to reach legal authorities and high government officials.

While this was happening, we were stunned and dismayed to learn that the remains had already been buried by officials from the Legal Medical Institute without any consultation with direct relatives. Furthermore, the body of Sergio A. Maureira Lillo, instead of being turned over to relatives, as an order from the Military Prosecutor's Office stated, was buried directly in the Maipo Island Cemetery. The remains of the other victims were placed in a common grave, as we were able to learn.

This fact joins innumerable humiliations suffered by them throughout these many years.

5 -- The Church of Santiago can do nothing less than to raise its voice and vigorously protest this situation of insensitivity and inhumanity in response to the grief of relatives. What right does anyone have to bury

remains without the authorization of relatives? The Church of Santiago believes that it has the moral obligation to continue to accompany these families in their legal action.

7 -- It raises its voice, not only because human dignity has been violated in the extreme. It also feels profoundly offended. Various government authorities are aware of the good will gestures that it has made for some time in search of a dignified and just solution that would contribute to the desired national reconciliation. They are also aware of the measures that have been taken, together with the families, to attain these goals, even concerning funerals. Once more, the Church of Santiago was not heard. It has been thwarted in its attempt to guard human dignity that it considers to be holy because it comes from God, its witness and judge.

7 -- It is also griefstricken over this new blow to the sensitivity of those who love their country and who want paths of respect and justice leading to brotherly coexistence. Unfortunately, these events help to destroy the image of Chile before the world and the Universal Church.

8 -- Sharing the grief of all those affected and at their request, we have decided to hold the funeral mass at our cathedral at 11 o'clock in the morning on 15 September. We shall pray together for these families so that in their hour of pain, the Lord will grant them the gift of strength. We shall also pray for our conversion and that of those responsible for these events so that they shall never again happen. Finally, we shall pray for the eternal rest of those who were not able to have the funeral through which the Church honors the deceased.

9 -- On the holy day of Mary of the Sorrows, accompanying her Son on the Cross, we reject all violence and ask her intercession so that we may once again be capable of loving and forgiving.

Santiago, 14 September 1979.

11,464  
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NATION USES ONLY 25 PERCENT OF ENERGY IT PRODUCES

Santiago EL MERCURIO in Spanish 14 Sep 79 pp c1, c3

[Text] According to a recent study completed by the National Energy Commission, only 25 percent of all energy consumed nationally is employed usefully, while the remaining 75 percent is lost in the process of transformation and distribution.

In releasing these figures yesterday, Bruno Philippi, executive secretary of the Commission, said that "this reveals that equally important as or more important than the task of finding new sources of energy is that of improving efficiency of utilization.

"It is useless to increase the total volume of energy that enters the system if we do not plug the great leak within it," he said.

The Commission official gave a press conference yesterday at the Institute of Engineers of Chile at which he discussed the national energy system before about 100 professional persons.

Speaking at the press conference, he emphasized that during its first year of activities, the work of the Commission has been to prepare a general diagnosis of production, transformation and the final consumption of energy in the country. This diagnosis is nearly completed.

The Commission will subsequently present to the country's highest authorities the various alternatives of energy growth and substitution possibilities, planning and prices.

Finally, a legal framework must be defined before 1981 so as to make it possible to implement the strategies decided upon.

As an example, he said that it would perhaps be better to provide some financial or tax help to businessmen who can use a cheaper form of energy than oil but who do not do so because of a lack of capital for the conversion.

## Wood Alcohol

Among the different studies that the National Energy Commission is completing or coordinating, Philippi mentioned one in particular that will determine the country's forestry potential and possibilities of using wood for the extraction of alcohol.

"Given the excellent results this alternative is providing in countries such as Brazil, we wish to determine the feasibility of doing something similar in Chile," he said.

Also in connection with forest products, it will be possible to increase the use of wood or of units of wood energy concentrated in pellets, as is being done in the United States and other places in the world.

In Chile at the present time, 14 percent of all energy consumption comes from wood or derivatives, one-third of this is used in industrial work and the remaining two-thirds in domestic work.

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## CUBA AND THE NONALIGNED MOVEMENT

Moscow SOVIET MILITARY REVIEW in English Aug 79 pp 50-51

[Article by M. Mayorov]

[Text]

**In September 1979 the 6th Conference of Heads of State and Government of the Non-Aligned Countries will be held in Havana, Cuba. The very fact that the Cuban capital has been chosen as the place of the Conference shows that the forces of peace, national liberation and social emancipation have a high opinion of socialist Cuba's role in the non-alignment movement.**

**T**he non-alignment movement appeared in the early postwar period. It was given organisational form at a conference in Belgrade in 1961. Initially there were only 25 member countries in the movement, today it numbers 87 states and patriotic organisations.

The 5th Conference of Heads of State and Government of the Non-Aligned Countries held in Colombo in 1976 decided that the next conference would be held in the capital of socialist Cuba. The Vietnamese paper "Quan Doi Nhan Dan" wrote:

"The decision of the non-alignment movement to convoke the 6th Summit Conference in 1979 in Havana, i.e. in the capital of a country whose people have gained a wealth of revolutionary and internationalist experience reveals that the intentions of the imperialists and reactionaries to split and subvert the non-alignment movement have been foiled."

In this context the attempts of imperialist and Maoist circles to subvert the unity of the movement and to reorientate it are particularly unseemly. For instance, the US President voiced the fear that the forthcoming meeting in Havana will only help radicalise the movement. It is a fact that the objective process of development of the non-alignment movement is taking precisely this direction. As Fidel Castro Ruz, leader of the Communist Party and the Government of Cuba, rightly

put it, the non-alignment movement should not be an amorphous, opportunistic or compromising movement. On the contrary, it should be an anti-imperialist, anti-colonialist and progressive force capable of exercising a positive influence on world politics.

Cuba is a non-aligned country. Together with the other participants in the movement it resolutely opposes the forces of reaction, imperialism, neo-colonialism, racism, Zionism, unequal economic relations and exploitation of the developing countries. The Brazilian journalist Jorge Escostegui, author of the book "Cuba Today. 20 Years of the Revolution," writes:

"Three principles determine Cuba's policy today: proletarian internationalism, peace and friendship. Contrary to the assertions of the Western propaganda machine, socialist Cuba exports its doctors, schoolteachers, and experts in various spheres of science and technology, but not revolution."

A concrete manifestation of Cuba's internationalist policy is the support it renders together with the other countries of the socialist community to the peoples of Asia, Africa and Latin America. One instance of such cooperation is Cuba's assistance to Angola's social and economic development. The Portuguese colonialists left the people of Angola a baneful legacy. When the revolution in Angola triumphed in 1975 90 per cent of the country's industries belonging to foreign compa-

es were standing idle. Two thirds had been destroyed in the course of the military operations, and the remainder could not be put into service owing to the shortage of specialists. Close on half a million Portuguese settlers, i.e. people who had the necessary knowledge, production and organisational equipment which the African workers lacked, had left Angola. They took away with them the industrial machinery and farming equipment.

At that difficult moment the people of Angola were assisted by socialist countries, including Cuba. Cuban doctors arrived in Angola as members of medical teams. Other specialists too contributed to the realisation of Angola's plans for national rehabilitation. When the foreign military interventionists had been driven out of the country and the gangs of splitters were routed, a new stage in Cuban-Angolan cooperation set in. Hundreds of Cuban internationalist fighters remained in Angola to help restore its war ravaged national economy. Among them were truck and tractor drivers, construction workers, mechanics, doctors and other specialists.

The Western propaganda machine tries to prove that Cuba's aid to Angola automatically removed socialist Cuba from the ranks of the non-alignment movement. But it hushes up the fact that the 5th Summit Non-Alignment Conference in Colombo (which chose Havana as the place for the next forum) welcomed Cuba's cooperation with Angola. The non-alignment movement voiced a similarly positive view on Cuba's aid to Guinea-Bissau, Mozambique and Ethiopia.

Wherever there is a "hot spot" in the world Cuba has invariably sided with the party defending the righteous cause of sovereignty and revolutionary achievements and fighting imperialist aggression and the reactionary forces. A case in point is Cuba's position on the crisis in the Middle East. The Cuban government has invariably sponsored the line of decisive support for the fight of the Arab peoples against the consequences of Israeli aggression. Its statements have repeatedly expressed solidarity with the Palestine Liberation Movement. The Cuban government believes that unless the Palestinian problem is solved no real settlement in the Middle East can be achieved. Acting in union with all progressives in the world, revolutionary Cuba has resolutely condemned the separate deal between Israel and Egypt, because it plays into the hands of the imperialists and reactionaries, trampling underfoot the right of the Arab people of Palestine to freedom and independence.

In recent years Cuba has considerably extended its ties with other Latin American countries. It should be mentioned that its desire to cooperate with its neighbours met with stubborn resistance from the more reactionary circles in the Western Hemisphere. Washington managed to force on the Latin American countries the so-called "anti-Cuban sanctions." In plain terms this meant that they declared a diplomatic, commercial and economic boycott of revolutionary Cuba. However, the anti-Cuban course was doomed to failure from the outset. In 1969 Mexico alone of all the Latin American countries maintained diplomatic relations with Cuba. At present diplomatic missions of ten more Latin American countries are functioning in Havana. It is interesting to note that Cuba's economic cooperation with them has been steadily expanding with every passing year. In the period from 1970 to 1975 its turnover with the countries of the region showed a more than four to one increase. Thus, step by step Cuba has been extending its trade and economic relations with Mexico, Peru, Panama, Jamaica and several other countries. In May 1978 Cuba and Mexico signed a protocol at Havana providing for further development of cooperation between the two countries. It covers such vital spheres as industry, farming, construction, fishing, transport, communications and public health service.

Cuba's participation in regional economic organisations, such as the Latin-American Economic System, and Latin American Energy Organisation, is becoming increasingly active. Cuba also takes part in the work of the Committee for Development and Cooperation of Countries of the Caribbean Region under the Economic Committee for Latin America and the NAMUCAR multinational shipping company of the Caribbean region.

And now, on the eve of the Summit Non-Alignment Conference in Havana, the Peking propaganda machine has launched a clamorous campaign denigrating revolutionary Cuba's policy. But China's aggression against the Socialist Republic of Vietnam, also an active member of the non-alignment movement, fully exposed the initiators of this sordid campaign. This outrageous act showed "who's who" in international politics, who is really opposed to imperialism and colonialism, who really supports the freedom and independence of peoples in keeping with the real spirit of the non-alignment movement, and who pursues a perfidious policy of aggression and great power chauvinism. The Peking leaders, who claim a leading role among the developing countries, find themselves in the same company as the sworn enemies of their freedom, sovereignty and independence.

True to its principles of internationalist solidarity Cuba, like the other socialist countries and progressives all over the world, has resolutely condemned the criminal aggression the Chinese leaders launched against Vietnam. Cuba voiced its whole-hearted support for the just struggle of the Vietnamese people.

There is no doubt that the non-alignment conference in Havana, capital of socialist Cuba, will impart further anti-imperialist and anti-colonialist impulses to the policy of the non-alignment movement. As J. Malmierca, the Cuban Foreign Minister, said, the conference will help "rally closer together the forces of the entire movement, make it more powerful so that the non-aligned nations will play a more important role solving important international problems."

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OFFICIAL NICARAGUAN DELEGATE TO NONALINED SUMMIT IS CUBAN

Havana JUVENTUD REBELDE in Spanish 3 Sep 79 p 5

[Article by Susana Lee]

[Text] Among the 14 delegates on the Nicaraguan bench at the Conference of Heads of State and Government of Nonaligned Nations is a young man with a black beard, dressed in olive green and wearing the red and black brassard of the Sandinist National Liberation Front (FSLN). His name, Ernesto Aloma, or "Hatuey," his nom de guerre in the Benjamin Zeledon Southern Front, is not known to many Cubans. But how surprised we were to learn that many persons in Cuba do know him because Ernesto, a member of the official Nicaraguan delegation to the Sixth Summit Conference, is a Cuban!

"Ernesto, is it true that you are a Cuban and that your parents took you away in 1960, when you were 12?"

"Yes."

"Could we talk with you a bit?"

"Ahorita...."

"Good! In Nicaragua, 'ahorita' means right now, so let us begin!"

That is how, without further ado, we contacted Ernesto. We spoke with him only a short while, even though we would have liked to talk longer, because he had to resume his work at the ministerial meeting preceding the summit conference. He speaks calmly and deliberately, resisting the bombardment of questions. We want to find out many things but time is very short. One can hear the Nicaraguan accent, but he does not conceal his Cuban nature or the infinite love he feels for our brother nation of Nicaragua.

"The circumstances surrounding my departure from Cuba were these," he explains. "My father was a soldier in the Rebel Army. He fought nine months in the Sierra Maestra and came back a lieutenant. He was made a captain and became director of the Cuban Coffee Stabilization Institute at the beginning of the

revolution. An anticommunist his whole life, as the revolution grew more radical, he felt more and more uncomfortable until he finally decided to go to the United States, which he did in November 1960, leaving from the Guantanamo Navy Base.

"Shortly thereafter, my mother took my brother, who was 9, and myself to join him. I was 12 and was not particularly anxious to go. I was very confused because I was very enthusiastic about the revolution and felt proud to be the son of a captain. I listened to Fidel's speeches and even went to some of the events where he appeared. I was even more confused when they took me to the United States, which is so different from our culture. We went to Miami and from the very beginning, the Cubans were treated very badly. We were subjected to mistreatment and insults from the American students at school, simply because we were Cuban."

Ernesto scarcely pauses. He outlined his stay in the United States: how his parents came to separate and his father left for Puerto Rico, how his mother took his brother and himself to Boston. He told of his work at an insurance company while he studied at night. The treatment improved, although the people were still racist. He lived in Boston 2 years, in Puerto Rico 2 years, returned to Boston and finally went to Los Angeles, California.

"I was about 20 years old at that time," he says. "I had decided to go to California for two reasons: in order to go to the university, which I did, and because at that time, there was the beginning of a very strong movement against the war in Vietnam. I participated in that movement actively."

"I had a part-time job at the university and one day when I was there, my brother came to get me because the FBI was looking for me to draft me into the army. It is the law in the United States that when you have lived there for a number of years, you have to register for the draft when you are 18 and I had not done so. I went to San Francisco, fleeing the FBI. I had to quit school and go into hiding for 2 years until after the elections and the war, when I was able to function as a regular citizen again."

"Behind all of this was the influence of the Cuban revolution, which has never left me," he emphasized. "I kept up to date on the revolutionary process and followed it. I admired Che Guevara very much because of his life, his process in Cuba, his example."

He explained how, at that time, he began to join ethnic revolutionary groups and to work in communities there. He did political programs for a radio station in Berkeley concerning the situation in Latin America and on Cuba, using speeches by Fidel and Che. They presented films, and so on. From there, he went to Arizona and joined the American Indian movement. He visited all the Indian reservations in Arizona and traveled through a number of southern states with one of the leaders of that movement. He even helped plan a march from California to Washington claiming their rights as citizens. "They are the people who have the most right to be there and yet, they receive the worst treatment."

The Cuban-Nicaraguan guerrilla leader stops, as if he had remembered something that moved him deeply:

"Insofar as possible, I shall continue to work for Indian rights. In Nicaragua, for example, the condition of Indians is the worst one can imagine. They are the people who need the most attention. I believe that I shall devote as much attention to them as I can."

He returned to the topic of the conversation. He said that it was in 1973 when he began to get to know members of the FSLN living in San Francisco. He said that when they set up a committee there, he joined in their work, contributing to a newspaper published under the name of LA GACETA SANDINISTA. They collected money, tried to obtain weapons and medicine. He spent several years there until August 1978, when the palace in Managua was attacked.

#### Event That Changed His Life

"I learned of the attack and I found out that one of the attackers, No 3, was one of my friends in San Francisco who had returned to Nicaragua in October 1977, at the beginning of the Front's final offensive.

"When I learned that he had been involved, I decided to join the armed struggle, which is precisely what I did. In September 1978, at the time of the Nicaraguan uprising, I went to Costa Rica and joined the Benjamin Zeledon Southern Front, whose leader was Eden Pastora. I stayed there until the 19 July victory."

"In what actions did you participate?"

"The most important actions in which I participated were the taking of Penas Blancas and Sapoa and a few other fights that took place around Sapoa, especially that of the Ostayo River, which was a very hard fight. Three columns attacked and I was a squad leader. There were 60 of us and only 26 were not killed or wounded."

Once again he stops, this time to give details on the Ostayo battle. He told of the military superiority of the enemy in the area. The enemy was unable to advance until the end of the war, when forced to surrender by the devastating blows struck by the Front in the northern region of the country and flee to El Salvador.

"When did you arrive in Managua?"

"On 20 July, one day after the victory. We were all going in trucks to Managua from the south.... Now? Well, now I am in charge of the nonaligned section in the Ministry of Foreign Affairs of Nicaragua.

#### Son of Nicaragua, of America

We then spoke about citizenship, roots, about how he feels concerning his return 19 years later and joining the delegation of the new Nicaragua.



"I inquired about my citizenship," he explained, "and they told me that I had never lost it, that I was still a Cuban and that they were going to give me my Cuban passport. Foreign Minister D'Escoto told me that he was also going to give me a Nicaraguan passport because when traveling, I shall be a representative of the government of Nicaragua.

"I believe that I returned in the best way possible, a way in which I had never before imagined. I thought about coming to see my family...for years I had wanted to. I am happy that I had to wait a few more years so that I could do so with this status. The Cubans received us very warmly and I feel...it is indescribable...what I feel after having been away so long and finally returning. My family is very happy that I returned in the way I did and they say that they remember when my father came down from the Sierra. I told them that I was going to complete what my father had started...what he was unable to do and should have done...I am going to complete it.

"I feel like a Cuban and now it depends on how the Cubans here treat me. If they accept me as one of them, the circle will have been completed. Even if I hold a post in Nicaragua, I shall still have my Cuban nationality.

"I feel a great deal of affection for Nicaragua, for the Nicaraguans, who have accepted me like a brother, like one more son, and I have to be grateful for this because they have given me the opportunity to participate in their revolution, to take part in this very important post. I shall always be profoundly grateful to them and if I should ever have to fight again and risk my life for this nation, I would do so. I believe that Nicaragua is also my country."

Ernesto stops to think. His gaze is fixed on some distant point.

"I believe that...that I feel American, that any country in America is my country, without forgetting my place of birth, because one always tends to have a little more love for his birthplace. But now I live in Nicaragua and work in Nicaragua and they have accepted me as one more son of that country, and that is how I also view things."

It was now our turn to remember so many proofs of internationalism given by our country. We recalled the Nicaraguans, mentioned by Maj Humberto Ortega in the assembly in Holguin on 26 July, who gave their lives for our country in the revolution and the Bay of Pigs. We recalled the strength of the internationalist spirit of Cubans, wherever they may be.

Hatuey, as he was known, exudes "Cubanness," the military ideal, internationalism. Transcending special circumstances and following a different path, he found our course. That is why we feel that Ernesto Aloma, the 31-year-old man wearing the olive green uniform and red and black brassard of the FSLN and belonging to the official Nicaraguan delegation to the Sixth Summit Conference, is Cuban and one more brother.

# YOUTH REVEAL GROWING DISILLUSIONMENT WITH REGIME

Bonn DIE WELT in German 14 Sep 79 p 9

[Text] The discussion is so loud that the mother closes the window--the neighbors might listen in. "What have we achieved in the past 20 years?" asks son Juan, a 22-year-old student. "Do we really live better today? Can we freely express our opinion?" His mother hushes him: "Calm down, you see only the negative side."

Not an unusual conversation between two generations. It is taking place in a house in the Vedado district of the city. The massive television set flickers. A Soviet film is just beginning. "Two hours of boredom," says Juan sarcastically. Fidel Castro looks out from the living room wall. Alongside hang pictures of the dead revolutionaries Ernesto Che Guevara and Camilo Cienfuegos.

In September 1979, "Year 20 of the Victory" according to the Cuban calendar, discontent is spreading on all sides. Young people are doing most of the grumbling. The contradiction between socialist slogans and the facts has led to a crisis of confidence in Cuba today. People seem serious, taciturn, seldom laughing spontaneously. If they do not know the person they are talking to they avoid political dialogues. They stand patiently in line. There are lines in front of the stores, where the shelves are empty, and in many display windows artificial bouquets of flowers stand in place of goods. There are even lines at the bus stops.

## Indolence Wherever One Looks

The newspaper JUVENTUD REBELDE, which in contrast to the party organ GRANMA sometimes publishes critical letters from readers, published in last Wednesday's edition typical everyday problems: a reader complained that he had to wait almost 2 hours for a bus in the Obrero district. In the central bus station in Havana there was no water to drink. "Mal Servicio" (poor service) was the headline above another reader's letter. In the Capitolio film theater tickets were still being sold after all the seats were taken.

Indolence, fussiness and bureaucratism wherever one looks. In the El Patio Restaurant, which is located in a colonial building of the old city district opposite the cathedral, the sullen waiter took a half hour to bring a beer. He was reminded several times of the order. After an hour the food finally came--lukewarm. The rolls are as hard as rock. "Rolling Stones," jokes a Cuban friend.

Orders proceed thus: Only the "Captain," the headwaiter in the black suit, is allowed to write down the orders. He hands the slip to the numerous subordinate personnel, who may not even serve a cup of coffee without orders from their superior. The order slip system also prevails when buying in the hotel shops. One presents the hotel pass and the money exchange slip. The girls write down the name and number of the pass on the bill prepared in duplicate. The amount is then written on the money exchange slip and subtracted from the total in the column above.

The only thing which moves at normal speed is the taxis. The drivers race their cars pitilessly over the streets. Some Ford Falcons, imported only 5 years ago from Argentina, are already rattling. On one Falcon the door handle is missing, on another the windshield wiper can no longer be turned off. Outside there is bright sunshine.

Like most vehicles, these taxis bear a blue license plate with the word "Estatat" (state). On the other hand it is a wonder that those American street cruisers from the early 1950's are still rolling; due to the economic blockade by the United States there are no spare parts for them. "Particular" (private) is shown on the yellow license plates. Private owners devote loving care to their heavy, streamlined vehicles.

Beside automobiles there is hardly any private property in Cuba. Dwelling houses, land, factories--everything belongs to the state. Waiters, taxi drivers, and hotel employees are not allowed to accept tips. There is no stimulus for special effort. "Everybody does just what he has to do," explains Carlos, a young 24-year-old worker.

Nevertheless the bonus coupons with which the trade unions reward hard work seem to be worth striving for. With these a Caribe (black-and-white) television, assembled in Cuba from Soviet designs, costs 650 instead of 900 pesos, 1,625 instead of 2,250 marks. The "Bonos" mean something: workers' wages are generally between 150 and 200 pesos (375 and 500 marks).

Despite this stimulus with the "hard work tickets" many goods leave the factories which do not satisfy the customers. A housewife ticks them off: "Socks which shrink after washing. Shirts with broken buttons. Clothes whose seams quickly come apart. Shoes whose soles soon come loose." The trademark "Hecho en Cuba" (Made in Cuba) has a low rating. On the other hand products from "Alemania Democratica," the "CDR," are held in high regard.

After 20 years of revolution most people talked of indicated scarce and defective consumer goods supplies as the greatest problem. Officials and the media may curse the capitalists all they like, but every Cuban knows that the latter live better. Late in the evening, when the domestic television stops broadcasting, TV channels 5 and 6 from Miami can be received in broad areas of the west coast. The advertisements for cars or shampoo, prefabricated homes or toothpaste, stereo equipment or deodorants are followed with special interest.

#### Black Twenty-Year Olds in Jeans

Western observers are of the opinion that the Cumbre, the summit conference of the nonaligned nations, is mainly intended by the Castro regime to serve as "self display." For 6 days the leaders of the Third World sat at the feet of conference leader Fidel Castro presiding on a podium.

Broad sections of the population nevertheless were interested in other aspects of this mammoth occasion. For example: Will Egypt be expelled? "My friends and I had our fingers crossed for Egypt," reports Julia, 22, a student. One question is hotly discussed: Who will now get those 115 Mercedes limousines, in which the heads of state and government were chauffeured around Havana?

The word had quickly made the rounds that nothing was being spared for the summit guests. American cigarettes and French cognac, Scotch whisky and real Pilsener beer. The Cuban cream soda of the "Hatuey" brand is also very tasty. A guest of the "Polar" bar on the edge of the old city, where last week the meager offering consisted only of soda water and Caney Rum, remarked in a whisper: "You have it better. And they too."

By "they" he meant Cubans upon whom the system bestows a more pleasant life. The officials, for example, or the "administradores" (business heads). They are favored with a Soviet Lada car, and can more easily provide themselves with scarce goods, and can even get a beer in a restaurant without eating. Normally a beer is served only with a meal. This privileged business class is called the "Mafia" in popular usage.

The young people judge the situation more critically than the older generation, but in a discreet way. There is a deep-lying fear of being seen or even spied upon in contacts with foreigners. In the "La Torre" restaurant on the roof of the Fox building two young table partners always changed the subject when the waiter approached. One usually says: "Todo esta bueno," everything is fine. The surveillance works almost to perfection.

On any building on any block there hangs a sign showing a peasant with a machete raised over his head: the escutcheon of the neighborhood organizations, the "Comites de Defensa de la Revolucion" (CDR), the Committees for the Defense of the Revolution. These organizations, to which almost

all Cubans belong, because no one can get a job for himself or a place at a university for his children without membership, do not only take care of clean streets, inoculation campaigns and ideological education. CDR people watch over every corner of Havana at night, rotating every 3 hours.

"The revolution was made for us," says, Raul, 28, a worker who is studying nearby. "I agree with the original goals completely." He further describes himself as an admirer of Fidel Castro and wants to acknowledge the "real successes": the educational system, from which no young Cuban is excluded. The health care system, which is a model for a developing country. The right to work valid for all. Nevertheless: "We had not imagined these developments in this way." For about 5 years the revolutionary elan has been vanishing, he says. "Fewer and fewer people do volunteer work, more and more people take a passive attitude." Raul estimates the proportion of his friends with a passive attitude at 70 to 80 percent.

It is interesting that a fascination with America prevails among the representatives of the younger generation. Rock music is sought everywhere. The WQAM (Miami) and KAAY (Little Rock, Arkansas) radio stations, whose reception is particularly good, are turned on at night. Nothing is more coveted than Western clothing--every Saturday night one can witness a jeans parade in Coppelia Park in the heart of Havana on the La Rampa main street. Rock music drones from portable radios. Black teenagers and young people in their twenties wear platform shoes and dazzling colored shirts--like in America. Almost all articles of clothing come from America, sent by relatives.

According to the MIAMI HERALD 102 Cubans have swarmed to Florida in boats. In 1978 there were only 19. In May Cubans tried three times to crash through the gates of the residence and embassy of Venezuela in cars. Orlando, the teacher, asks smilingly on my departure: "Do you still have room in your suitcase?"

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CSO: 3103



SOVIET FRUNZE MILITARY ACADEMY GRADUATE INTERVIEWED

Havana JUVENTUD REBELDE in Spanish 4 Sep 79 p 2

[Interview with Capt Mario Misquial, winner of gold medal from Frunze Military Academy in Soviet Union, by Andres Castillo Bernal; date and place not given]

[Text] The people are used to applauding and praising our athletes who win gold medals for our nation in international competition, a very common occurrence after the revolutionary victory.

But today we are not going to interview a champion athlete. Rather, we are going to speak with an academic champion: Capt Mario Misquial Matos, 33, a member of the party, who recently completed his studies at the Frunze Military Academy in the Soviet Union, where he won a gold medal for having earned a grade of "5" in all subject matters for four consecutive years.

Captain Misquial is a simple, modest young man who joined the Revolutionary Armed Forces in 1960, when he was only 14 years old. Since that time, he has given the best of himself, training himself with an iron discipline and will that led to his resounding success.

"I do not believe that this was any feat. Basically, the medal is the result of the collective efforts of my comrades, including the Soviets, who helped me a great deal, and of the organization of the party, because when it realized my possibilities, it outlined a program and gave me constant help."

Mario went to the Soviet Union to study in 1975. He had the equivalent of a tenth-grade education and had had the general military training required in order to enter the Frunze Military Academy, where the students receive advanced military training.

He did not know the Russian language and consequently, at the same time that he studied the general infantry subject matter (his specialty) and political subjects, he had to devote sufficient time to Russian to pass the course.



Speaking about educational facilities and conditions, Captain Misquial said that the atmosphere at the academy was the best for completing his plan of study and he noted that despite the amount of personal effort involved, the decisive factor was the collective effort, the cooperative discussion and analysis of matters studied.

"This made it possible for us to consolidate our knowledge and that is why I believe that the medal is a collective rather than an individual incentive."

At the Frunze Military Academy, as at other military academies in the USSR, there are officers from socialist countries and they are of a high military, cultural and political level. One can therefore conclude that achieving such high grades is a merit to which many qualified comrades aspire.

The last gold medal obtained by a Cuban in the general infantry area of specialization was in 1974.

"Mario, when did you realize that you could obtain the gold medal?"

"Beginning with the third year, the staff informs the students which ones have the possibility of obtaining the decoration and usually, there are many."

Although there are almost always many candidates, on this occasion, the only one with any possibility was Mario, who from the end of the second year on was the only candidate.

The question therefore arises: How did he feel when he was told that he was the candidate?

"What can I tell you? I studied more every day. I went into every exam better prepared, but trembling at the same time. It was very difficult due to the high level of the Soviet, Czech, Mongolian and other students. Naturally, all of my comrades helped me a great deal, without any distinction as to nationality.

"The colonel who helped me on my work for the diploma was very concerned about me. He was confident that I would win. The same was true of the staff, who for months had been sure that I would win the medal. Naturally, their cooperation gave me greater confidence and also put more pressure on me."

Finally, the day came. What was it like?

"Incredible. I was so moved by different feelings because they also picked me to speak at the graduation ceremony on behalf of all the officers from the socialist countries. The decision was made because I had won the medal and at the same time, the decision was made by the staff because such is not always the case."

The honor was all the greater because Captain Misquial received it during the year of the 20th anniversary of the victory. His consistent devotion to study caused him to be chosen, along with other comrades, as a vanguard member among all the Cuban officers studying in the USSR and a vanguard member of the Revolutionary Armed Forces in the 1978-1979 Year of Training.

Speaking with a young man capable of achieving such an honor for the nation is a source of great satisfaction. The expressiveness of his face, the moderation of his remarks and his obvious discomfort in speaking about himself demonstrate that because of his modesty, Mario would not be able to tell the intensity of the feelings he experienced only a few days ago in the brother Soviet Union.

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CSO: 3010

TEXT OF RAUL CASTRO SPEECH HONORING INTERNATIONAL FIGHTERS

Havana VERDE OLIVO in Spanish 9 Sep 79 pp 54-55

[Speech by Gen Raul Castro Ruz, second secretary of the Central Committee and minister of the Revolutionary Armed Forces, 1 September 1979, at General Maximo Gomez FAR Academy]

[Text] (Speech delivered by Gen Raul Castro, second secretary of the Central Committee of the party and minister of the Revolutionary Armed Forces (FAR), at the ceremony held at the General Maximo Gomez FAR Academy on the occasion of the decoration by the Ethiopian Government of a large group of officers, noncommissioned officers, troops and reservists who participated in combat during the war in Ethiopia, as well as relatives of soldiers who fell in the struggle of that brother nation. Havana, 1 September 1979, 20th year of the victory)

Dear comrade, Haile Mariam Mengistu, chairman of the provisional military administrative council of Socialist Ethiopia;

Dear comrades of the Ethiopian delegation;

Esteemed relatives of our comrades who fell in Ethiopia;

Dear internationalist combatants:

On behalf of the party, the government, members of the Revolutionary Armed Forces and all of our people, I wish to express our gratitude for your gesture of personally decorating this large group of comrades who participated in the recent struggle of the Ethiopian people against the foreign aggression. We wish to emphasize that for us, more than recognition, this represents a new and firm commitment to the Ethiopian Revolution that you so skillfully and firmly lead (applause).

As you have repeatedly stated, the friendship of our peoples, the identity of our revolutions and the fighting brotherhood between our armies "is sealed in blood," the blood of Cuban and Ethiopian soldiers who inspire this brotherhood with the principles that unite us.

The sands of Ogaden and the Harar plains, the Shebele and Arabi passes, the Lewenaji and Golocha mountains and the access ways to Jijiga are above all expressions of the heroism, patriotism and revolutionary awareness of the Ethiopian masses. They are symbols of the fighting glory of the Armed Forces of Socialist Ethiopia. These regions, which became the scene of victorious combat aimed at safeguarding the territorial integrity of Ethiopia and preserving the power of the revolution, are today the patrimony of the common cause of nations, the cause of national independence, the cause of socialism and internationalism. For that reason, they will always be mentioned when we wish to cite an example of the heroism of a nation that fought and won (applause).

In decorating a large group of members of the FAR and the units of our reserve, in granting recognition to the relatives of those who fell, you are making a gesture that sincerely moves us, makes us proud and encourages us.

We are aware of the diligence and concern with which you address yourself to all matters relating to our comrades still in your country, your special concern for extolling the memory of those lying in Ethiopian soil and the high degree of humanism you demonstrate in your relations with their relatives.

The Ethiopian and Cuban soldiers and men from other brother countries who gave their lives for Socialist Ethiopia will not know the future that they so generously sowed with their blood, but every day, especially on occasions such as this, we feel their presence and their demand: that Ethiopia be ever free and sovereign, that its riches and the fruits of its efforts always be for the enjoyment of its hard-working and heroic people and that the building of a dignified and just society in that beautiful and so frequently martyred land become a reality.

The tradition of struggle of the Ethiopian people and their profound vocation for freedom, which enabled them to preserve their independence when colonialism was taking hold of all of Africa and which gave them the strength to face fascism and the desire to maintain the unity of their country, was enriched by the victories achieved over those who schemed, planned and promoted one of the most harmful and criminal acts ever recorded in the annals of Africa's fight for its liberation.

Comrade Mengistu, we are proud to have shared with you these days so full of heroism, glory and hope. We are proud of the friendship between our nations, a friendship whose highest expression is to be found in the close affection which you and our commander in chief Fidel Castro have professed (applause).

Through its own experience, Ethiopia knows that its enemies never abandon their aggressive aims and miss no opportunity to create obstacles in the march of the revolution. With a calm evaluation of the present and a clear vision of the future, you have outlined the basic paths leading to the building of the military institutions of the new state within as brief a time as permitted by the complex, modern military techniques. In this endeavor,

just as in the days of war, you have the solidarity and valuable aid of the firmest ally of the nations facing colonialism, imperialism, racism and Maoism: the beloved Soviet Union (applause).

Likewise, when the Ethiopian people devote their energies and their inexhaustible creative capabilities to the peaceful construction of their country and make a supreme effort to overcome the poverty and backwardness bequeathed by the implacable exploitation through which the monarchic regime allied with imperialism plundered the masses, our doctors and technicians, along with other specialists from the socialist community, offer their solidary support to the creative task of the Ethiopian revolution.

Comrade Mengistu:

With all our hearts, we thank you for the words you said in speaking about our modest contribution to the victory of the Ethiopian revolution and the terms you used to describe our soldiers. I echo them in order to extol the worthy attitude of the courageous and war-hardened Ethiopian soldiers who, overcoming all obstacles and barriers that seemed insurmountable to our enemies, waged a titanic struggle, drove the invader from their land and saved the revolution.

We shall always be proud of having fought at your side and having learned from you. You may be sure that in Ethiopia's battles, we not only acquired new and valuable experience in modern military science and tactics, but heightened our revolutionary awareness and strengthened our patriotic convictions. From that time on, we became more internationalistic and better communists (applause).

Our nations are made up of hard-working, peaceful people. The people of Ethiopia and Cuba have never provoked anyone, but when their independence has been in danger, they have defended it with bravery and heroism. One has but to look at the victories against colonialism in Cuba and against fascism in Ethiopia. Our community of ideas and the new world ratio of forces has enabled us to share the same trench at a decisive historic moment and our identity has been cemented with blood ties.

The passage of time and the blossoming of Socialist Ethiopia will make the misery left by the imperialists and fascists a past to which there shall be no return. There will be unanimous repudiation of those who served as an instrument for crime and betrayal and our friendship, forged in time of war, will be strengthened steadily as we renew and strengthen the bonds established in the fight for the welfare of the oppressed masses.

Dear Comrade Mengistu, on a memorable occasion, the first secretary of our party, Comrade Fidel Castro, said: "It is admirable how sons of our people went to such a distant place and fought there as if they were fighting on their own soil. That is proletarian internationalism. Efficient and courageous revolutionary soldiers rapidly created a magnificent friendship and established close bonds with the admirable revolutionary Ethiopian soldiers...." (applause).

On this unforgettable occasion, in saying these words, allow me to state, on behalf of our decorated comrades and the relatives of the fallen men, on behalf of our party, the government and our people, that we shall do everything necessary in order to be always worthy of this gesture with which you and the revolutionary Ethiopian leadership honor our nation.

You can be absolutely certain that from this moment on, this decoration will be the source of renewed incentive for all of us in the construction of socialism and the fulfillment of our internationalist duties.

In the name of all, we make to you that commitment which constitutes the only consistent way of demonstrating our sincere gratitude and responding to your generous gesture.

Eternal glory to the heroes who died for Socialist Ethiopia! (Answered by "Glory!")

Long live the eternal friendship between the nations of Ethiopia and Cuba! (Answered by "Long may it live!")

Long live the great leader of the Ethiopian people, Haile Mariam Mengistu! (Answered by "Long live Mengistu!")

Long live Fidel! (Answered by "Long live Fidel!")

Fatherland or death! We shall overcome!

(Answered by "We shall overcome!" Prolonged applause.)

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CSO: 3010



## FIELD ARTILLERY UNIT LAUNCHES NATIONAL FAR TRAINING YEAR

Havana VERDE OLIVO in Spanish 9 Sep 79 pp 56-57

[Article by Mario Rodriguez]

[Text] For this field artillery regiment of a unit in the High Command, it was a day of special significance.

Finally, after successfully meeting the challenge set forth by its members at the beginning of the 1978-1979 training year, the unit became the initiator of the socialist emulation in the FAR [Revolutionary Armed Forces].

The solemn ceremony of the handing over of the banner accrediting the unit as such also served to officially begin the new training year of the Revolutionary Armed Forces.

The important ceremony was presided over by Div Gen Senen Casas Regueiro, member of the Central Committee of the party and first deputy minister-chief of the General Staff, other members of the Central Committee of the party, deputy ministers, FAR officials and officers, Soviet military specialists and other guests.

The next item on the program was the review of the troops, duly positioned on a broad esplanade.

Col Juan Escalona Reguera then read an order of congratulations from the minister of the FAR, recognizing the steadfast and praiseworthy work done by the large group of officials, officers, noncommissioned officers, troops and civilian workers in the unit.

1st Lt Ricardo Santanach then read a bulletin addressed to Commander in Chief Fidel Castro in which the members of the unit pledged to maintain and further improve upon the goals achieved.

"The banner we receive today," the bulletin says, "is the result of the fulfillment of the commitment made and the steadfastness and enthusiasm of our soldiers."

Concluding remarks were made by Div Gen Abelardo Colome Ibarra, deputy minister of the FAR and member of the Central Committee of the party.

In his speech, the deputy minister of the FAR, who was also to turn over the banner to the unit, emphasized the importance of the movement of initiators and then said:

"This regiment is an example to be imitated by all units of its type. Its successes are not an isolated phenomenon, but rather, the result of the continuing, steadfast effort of all its members, especially its troops, who, despite their extraordinary youth, are completing with discipline and responsibility the complex and difficult tasks of the defense of our nation."

11,464

CSO: 3010

## STATE SCIENCE, TECHNOLOGY COMMITTEE MISSION OUTLINED

## Background Data

Havana BOHEMIA in Spanish 20 Jul, 10 Aug 79

[20 Jul, pp 90-91]

[Text] Beginning with this issue, we will publish an informative series of three articles on the State Committee for Science and Technology (CECT). The first of these will discuss, among other things, the CECT'S functions and principal objectives; the second, its complementary institutions; and the third, the National Scientific and Technical Information System (SNICT).

Before the triumph of the Revolution, Cuba was a poor and backward country suffering under a colonial structure. Its scientific and technical activities were very minor in scope and number, and the creative initiatives of Cuban scientists such as Alvaro Reinoso, Felipe Poey, Carlos J. Finlay and others were in their times suppressed. Illiteracy ran as high as 40 percent in the rural areas.

With the Revolution, changes in the educational systems took place immediately: illiteracy was eradicated; workers took up studying; the population's level of general knowledge was raised; and the training of technicians became massive. From the very inception of this process, cognizance was taken of science as an essential factor in economic and social progress.

Based on this awareness, and despite the inherent limitations of an underdeveloped country laboring under economic pressures, human and material resources were assigned to the creation of research centers that could provide responses to the country's future developmental needs.

The organizational base having been created, the next step was to formulate a national science policy and to develop, on the most general level, a state scientific and technical research planning program.

Thus, on 6 June 1974, by virtue of Law 1271, the National Council on Science and Technology [CNCT] was created as the governing body over this activity.

From 1974 to 1976, the CNCT worked intensively to consolidate the country's science and technology planning at governmental level, and paved the way, through the institutional process, for the CECT, based on Law 1323 of 30 November 1976 on organization of the central national government. Thus, the CECT not only assumed the CNCT's coordinative functions but also became the operational organization for the implementation of the tasks assigned to the latter, at the same time that it considerably broadened the scope of the country's science and technology activities.

#### What is the CECT?

The CECT is the central national government organ for directing, coordinating and controlling the implementation of the state's science and technology policy, and works constantly on improving essential methods and means for the practical application of national science and technology to the fundamental objectives of the country's socioeconomic development.

Its activity is based on and structured within the orientation provided by the First Party Congress as formulated in the "Thesis on National Scientific Policy," which establishes the guidelines of this policy for the current 5-year period.

The CECT combines within itself the general management of the country's scientific and technological development with the executive management of each of its ramifications, thus integrating general and specific interests into a unified program designed to respond to the country's socioeconomic developmental needs.

#### Objectives

Within the unified national economic plan, which includes the science and technology development plan, the CECT is assigned the following responsibilities:

- the science and technology plan, which is based on the primary research and development problems relating to the nation's major socioeconomic objectives.

- the plan for putting the results of scientific and technological research and development to practical use.

- the analysis, purchase and sale of patents and licenses, and the exchange of technologies.

In keeping with the importance of worldwide advances in sciences and technology, the CECT's primary activities also include:

Development of the Field for peaceful uses of atomic energy; protection of the environment and rational use of natural resources; development of science and technology cadres; evaluation and approval of the technical plans associated with new investments to be made in the country; activities related to

the planning, financing and economics of science and technology; evaluations of scientific and technological activities in all branches of our economy; development of the SNICT.

#### Principal Functions

- a) Advise the government in matters of science and technology, recommending national science policy based on the nation's socioeconomic and cultural developmental requirements.
- b) Formulate, with the participation of the other central national government bodies and local bodies of the people's government, and propose to the Central Planning Board the science and technology plan for which it is responsible and whose execution, after its approval, it will supervise, inclusive of approving or disapproving budgetary requests for scientific and technical research from the bodies involved.
- c) Supervise the progress of the scientific and technical research work and services being performed by the various state bodies and institutions and ensure their efficiency.
- d) Establish general science and technology categories, nomenclatures, and methodology guidelines to be used by bodies responsible for specific research programs as the basis for elaboration of their own specifically applicable methodologies; participate in the training of scientist cadres and in the awarding of science degrees.
- e) Establish, direct and supervise the environmental protection system and the rational use of natural resources.
- f) Establish, direct and supervise the National Science and Technology Information System and ensure its gradual improvement and more rational use.
- g) Search, examine and register patent applications from nationals and foreigners for inventions, trademarks and their identifying characteristics; and advise organs and organizations from the viewpoint of promoting inventive activity and everything related to this field.
- h) Recommend steps to be taken by the government for the creation and development of research centers, and for the improvement and rationalization of existing ones.
- i) Advise the Council of Ministers on the creation and elimination of institutes and other research centers under other organs of the central national government.

#### The Primary National Problems Plan

This is the basic guideline document for steering the research effort. The

5-year primary national problems plan for 1976-1980 is currently being implemented and covers, among others, the following sectors of the economy:

Agriculture, animal husbandry, fishing, communications, computer hardware, computer software, scientific equipment and instruments, biomedicine, chemistry, sugar, sugar cane byproducts, basic and natural sciences, machinery, mining and metallurgy, geology, light industry, food industry, refrigeration and air conditioning.

#### The Science and Technology Accelerated Development Plan

Our country has been gradually developing, in cooperation with the CEMA /Council for Mutual Economic Assistance/ a science and technology accelerated development plan covering up to 1990. The research programs it contemplates include, among other, the following:

Sugar cane farming, construction of sugar refining machinery, sugar cane byproducts; agroindustrial development of citrus fruits; livestock and meat products; hydroeconomic resources, geology; laterites; solar energy; marine resources, natural substances; corrosion and tropicalization; scientific information.

All of the programs under development carry a significant economic impact for the country, and their implementation is being effected with the cooperation of the member countries of CEMA, but very especially the Soviet Union.

#### Committee Organizations Listed

Havana BOHEMIA in Spanish

[10 Aug 79 pp 90-91]

[Text] By Council of Ministers decision of 30 November 1976, four institutions not pertaining to the central national government are assigned to the CECT /State Science and Technology Committee/:

- 1) National Commission for Peaceful Uses of Atomic Energy (CEA).
- 2) National Commission for the Classification of Scientific Research Workers.
- 3) National Commission for Environmental Protection and Conservation of Natural Resources (COMARNA).
- 4) National Bureau of Inventions, Technical information and Trademarks /ONIITEM/

The CEA

The CEA was created under Presidential Decree 3791 of 5 October 1974, as an adjunct of the CNCT /National Council on Science and Technology/ (now the CECT).



The whereases of Decree 3971 stipulate:

- That the peaceful uses of atomic energy constitute an essential requisite for our national socioeconomic development.
- The need to optimize the proper coordination and assurance of the material and human resources already being demanded by the developmental level attained by our country in the nuclear field.
- The need for a unified and properly controlled science and technology policy.

#### Primary Functions of the CEA

- Design, coordination, control and supervision of the scientific and technical plan governing the activities in the nuclear energy field that are necessary for achievement of the national socioeconomic development objectives.
- Coordinating and assuring the participation of those bodies and institutions having activities in this field in the carrying out of the above tasks.
- Exercising a regulatory and control function in the peaceful use of atomic energy.

The commission's functions include other aspects as well:

- The CEMA Permanent Commission on the utilization of atomic energy for peaceful ends.
- The International Atomic Energy Organization (IAEA).
- Participation in the training of qualified cadres for all activities in the nuclear field.

#### National Commission for the Classification of Scientific Research Workers

This commission was created by Resolution No 8 of 30 October 1976 issued by the chairman of the now defunct CNCT to direct the process of classifying scientific research workers as provided in Law 1295/75.

The Law 1295 establishes, for scientific research workers, four basic categories and a special one.

The basic categories are:

- Titular researcher [investigador titular]
- Assistant researcher [investigador auxiliar]
- Auxiliary researcher [investigador agregado]
- Research fellow [aspirante a investigador]

The special category is:

--Laureate researcher [Investigador de merito]

In accordance with the above, the National Commission's primary functions include:

- Guidance, supervision and control of the scientific research worker classification process.
- Orientation and methodological guidance of the central commissions of bodies in relation to the scientific research worker classification process.
- Coordination with the commissions of central bodies to ensure the uniform carrying out of the process.
- Coordination and approval of the program worked out by the central commission of each body to implement the activities calendar plan.
- Issuance of the supplementary instructions required for the development of the process.
- Submittal for approval by the CECT chairman of the names of the most outstanding researchers qualifying for the classification of "titular researcher", as well as establishing the procedure for carrying out this process.

#### COMARNA

On 1 December 1976, the Council of Ministers approved the existence of COMARNA as an adjunct of the CECT, to implement a more rational policy to govern the use of our natural resources and facilitate social enjoyment within a properly protected environment, for the greater well-being of our people in the socialist and communist structure.

#### Primary Functions of COMARNA

- Assuring the putting into practice of systems that, based on the most advanced knowledge in the scientific and technological fields that enable human activities to develop with the least possible impact on the environment and natural resources.
- Developing of complex attacks against deterioration of the environment and ensuring the conservation and rational utilization of natural resources, and to this end, promoting and advising bodies and institutions within the scope of its competence.

#### ONIITEM

This bureau had its inception in the former Industrial Property Register

created many years ago. Decree Law No 805 of 4 April 1936 established the rights and conditions pertaining to the ownership of industrial property and the registration of trademarks and patents. The Industrial Property Register was transformed into the ONIITEM by Resolution No 28 of 1 September 1973 issued by Dr Carlos Rafael Rodriguez, vice chairman of the Council of Ministers.

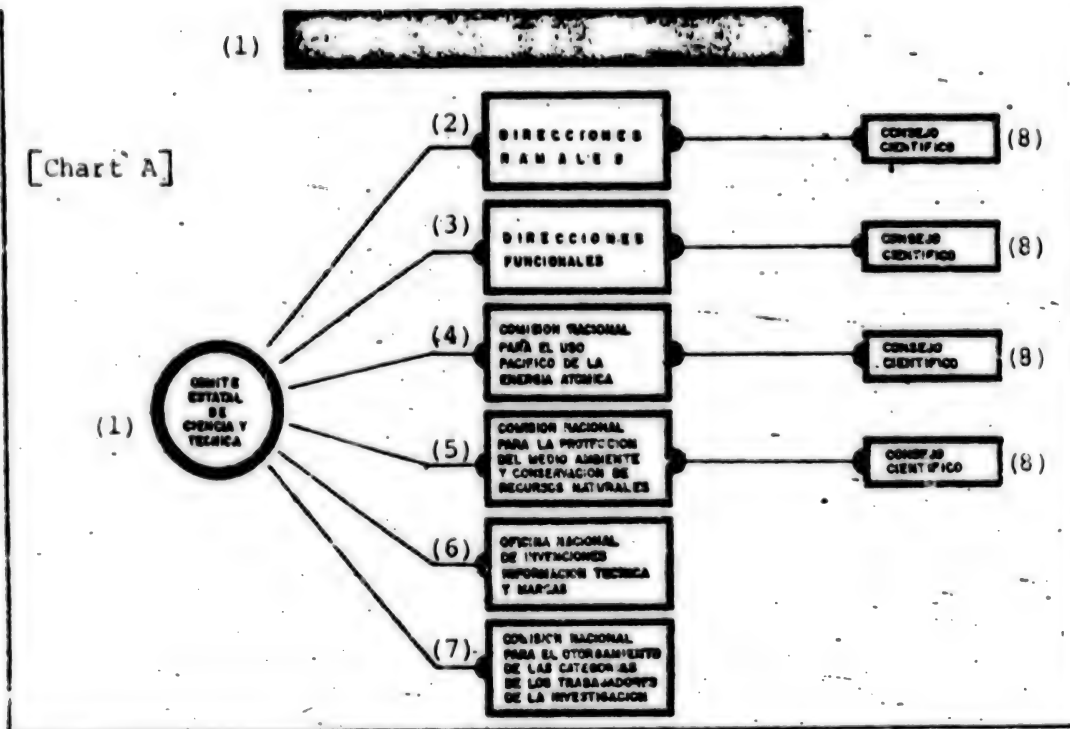
By decision of the Council of Ministers on 30 November 1976, the existence and operation of ONIITEM as an adjunct of the CECT were approved.

#### Primary Functions of ONIITEM

ONIITEM's primary functions can be outlined in summary form as follows: develop on a national scale the diverse activities relating to industrial property; encourage and advise science and technology bodies, associations and units in the protection of inventions, patents, trademarks, denominations of origin and other aspects of industrial property.

Its functions also include those relative to technology exchanges: achieving appropriate exploitation abroad of our national innovations and inventions and their licensing in foreign countries; assuring efficient exploitation of the most important foreign inventions in the fields of research and production. They further include the development of the national patent information subsystem and drawing up the draft national licensing and patents plan.

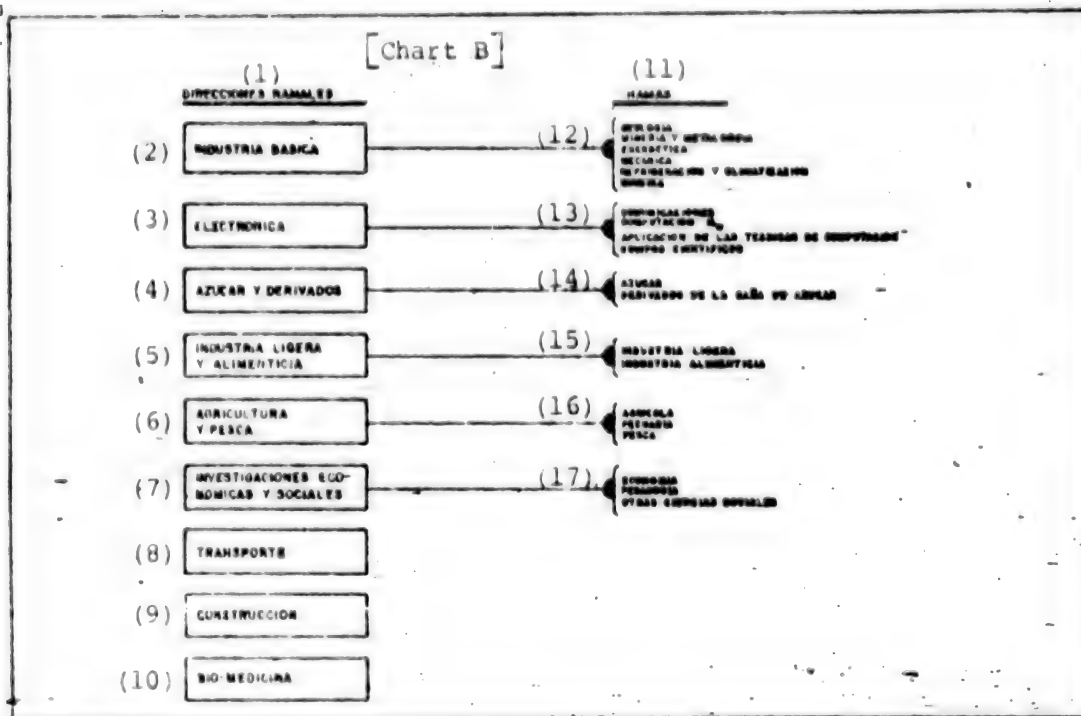
ONIITEM, as an adjunct of the CECT and recognizing that its activities cover substantial scientific and technological areas, is prepared to improve the efficiency of its nationwide role in the many activities related to industrial property, as well as to improve its ties with the various international organizations and its scientific and technological collaboration, basically with the members of the CEMA.



/Chart A/

Key:

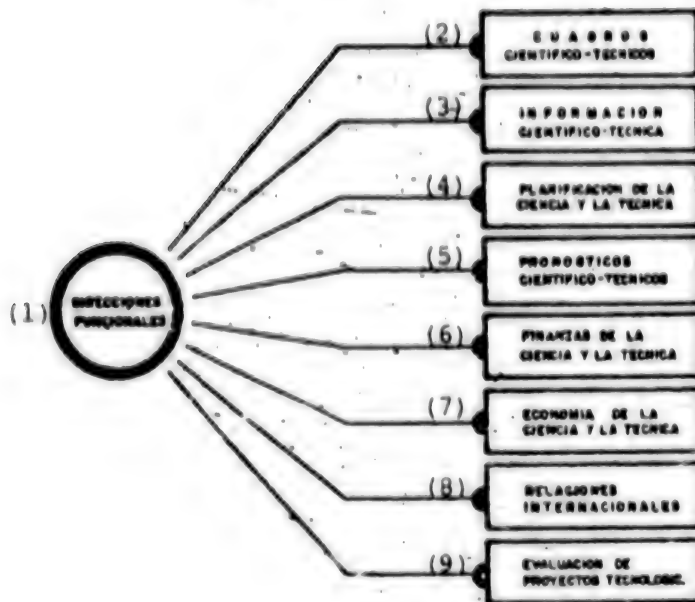
1. State Science and Technology Committee
2. Sectorial directorates
3. Functional directorates
4. National Commission for Peaceful Uses of Atomic Energy /CEA/
5. National Commission for Environmental Protection and Conservation of Natural Resources /COMARNA/
6. National Bureau of Inventions, Technical Information and Trademarks /ONIITEM/
7. National Commission for the Classification of Scientific Research Workers
8. Scientific council



[Chart B] Key:

1. Sectorial directorates
2. Basic industries
  - 12. Geology
  - Mining and metallurgy
  - Energy
  - Machinery
  - Refrigeration and air conditioning
  - Chemistry
3. Electronics
  - 13. Communications
  - Computer hardware
  - Application of computer techniques to scientific equipment
4. Sugar and its byproducts
  - 14. Sugar
  - Sugar cane byproducts
5. Light industries and food industries
  - 15. Light industries
  - Food industries
6. Agriculture and fishing
  - 16. Farming
  - Livestock
  - Fishing
7. Economic and social research
  - 17. Economics
  - Pedagogy
  - Other social sciences
8. Transportation
9. Construction
10. Biomedicine

[Chart C]



[Chart C]

Key:

1. Functional directorates
2. Scientific and technical cadres
3. Scientific and technical information
4. Science and technology planning
5. Science and technology forecasts
6. Science and technology finance
7. Science and technology economics
8. International relations
9. Evaluation of technological projects

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CSO: 3010



## BRIEFS

MANAGER TERMINATED--A few months ago, Jose M. Aguiar, who resides at 1159 Finlay in Los Pinos, filed a complaint against the administration of the Cuban Refrigeration Workshop in Luyano. Since October 1978, he had reported that his refrigerator did not work. The mechanic told him that it could not be fixed because there were no spare parts. When some time had passed and the mechanic did not return, Aguiar called the workshop several times. He was sometimes told that his request would be taken care of and sometimes that the required parts were not available. In August, Roberto Garcia Mateo, provincial director of services of the City of Havana People's Government, sent the response to this section and to reader Aguiar: "When the Provincial Refrigeration Enterprise investigated what measures had been taken, it was discovered that the administrator, who at that time was Pablo Freyre, had not done what it should have, due to which and other irregularities, he was replaced. A discussion was recently held with the new administrator and precise instructions were issued. At the present time, your refrigerator is being fixed and will be delivered to you within 12 working days." For our part, we hope that Jose Aguiar can finally enjoy the use of his refrigerator after 10 months. [Text] [Havana JUVENTUD REBELDE in Spanish 29 Aug /9 p 2] 11,464

CSO: 3010

ROLDOS-BUCARAM CLASH DISCUSSED BY ALEJANDRO ROMAN

Guayaquil VISTAZO in Spanish 21 Sep 79 pp 21-29

[Interview with attorney Alejandro Roman, secretary general of public administration of Ecuador, by Roberto Aspiazu; date and place not given]

[Text] In our constant desire to contribute to enlightenment concerning the nation's problems, we are resuming the interviews with individuals whose views are of interest to the country. With his typical astuteness, this time Roberto Aspiazu queries attorney Alejandro Roman, secretary general of administration, regarding crucial current issues.

[Question] Will the power struggle become exacerbated by the president's new veto of two bills passed by the CNR [National Chamber of Representatives] which were promoted by the government party bloc itself?

[Answer] There is no power struggle involving the branches of government. The Political Constitution clearly stipulates the rights and obligations of each one of them. The National Chamber of Representatives has the authority to formulate bills, and the president of the republic is empowered to execute them, if he considers them fitting, or to oppose them, if he deems them unconstitutional or unfeasible. To abide by these constitutional regulations concerning the legislative and executive branches is part of the exercise of democracy, and cannot of itself produce a struggle of any kind.

[Question] In your opinion, is the demagogy in Congress still going on? Has it been confirmed by the views that you expressed publicly a few days ago?

[Answer] I never said that Congress (considered from a general and nondiscriminatory standpoint) engaged in demagogy. Anyone can check this by re-reading my statements in critical detail. What I did claim (and still do) is that a certain sector in Congress was implementing demagogic, irresponsible bills, such as those for the tax on absenteeism, the revaluation of the sucre or the reforms to the Law on Parties. These bills are not only demagogic, they are also antipopular, antidemocratic and antinational.

[Question] Did you let that statement regarding demagoguery slip out in Congress? Did it cause you a falling out with the president?

[Answer] When there is a political analysis, there is no room for "slips of the tongue." In my capacity as secretary general of public administration, I am an official spokesman for the government. As a result, my comments reflect the essence of the regime's views on the most paramount national and international issues. Since it cannot be otherwise, there exists a substantial ideological, political and personal identification between the president of the republic and the secretary general of administration.

[Question] It is currently being said that there is a black hand behind the president. Do you consider this a reference to you?

[Answer] The question contains a seed of racism, which I refuse to accept on principle. "Black" is not a symbol of evil, nor is "white" a symbol of good. Such a manner of thinking constitutes an ideological vestige of slavery. As for the intention of your question, I should explain to you that President Roldos is sufficiently capable not to allow any reprehensible maneuvers around him, and his collaborators are sufficiently responsible not to attempt them. The entire government is working coherently, without any behind-the-scenes intentions, to assist President Roldos in the performance of his lofty historic mission.

[Question] But what about when Mr Bucaram mentions the "little runs"?

[Answer] Pejorative remarks are incompatible with the seriousness of the government. The respectability of its members is not based on words, but rather on deeds. Personally, I should tell you that I am not used to responding to insults concealed by lack of reason. I am a man of principle, and my concern is focused on the national and popular interests that the government is protecting. According to the principle of relativity among things, there is praise which offends, and abuse which enhances.

[Question] How do you explain the fact that there are more independents than CFP [Concentration of Popular Forces] members in key government positions?

[Answer] It is untrue that there are more independents than CFP members in the administration. Actually, there are individuals associated with all the ideological and political persuasions who (as President Roldos said before taking office, and thereafter) identify themselves with the 21 points in the bases of the program, the decision for a change and the desire to progress along the parallel lines of economic development and social justice. The qualifications which President Roldos proposed for selecting his collaborators are political consistency, personal integrity and operational capacity. After all, he is the president of all Ecuadorians, and not of a certain party. His is a practical demonstration of pluralism.

[Question] How would you describe the new government from an ideological angle? In the center, perhaps?

[Answer] I would call it a progressive, profoundly democratic government, with an obviously popular essence, which is seeking Ecuadorean solutions to Ecuadorean problems dissociated from orthodox schemes.

[Question] What prompted you to join the Force for Change?

[Answer] My enduring commitment to the Ecuadorean people's desires for a change. The country needs to reorganize the underlying foundations of its social, economic and political structure. It is impossible to continue accepting the tragic reality of infant mortality, lack of housing, insufficient sources of employment, the alienation from culture, the limitation of justice or the imposition of conditions on freedom. The "Force for Change," which came into being as a movement conveying the people's sentiments and desires, is now the cause which has involved an entire people in the struggle for a better future.

[Question] What is the exact interrelationship between the Force for Change and CFP? Does it represent the division of the CFP into Roldosism and Bucaramism?

[Answer] The CFP is a political party, and its foundations, like many of its leaders or various echelons, are part of the people who desire the change. The "Force for Change" is an ideological, political and social movement, under the leadership of President Roldos, which is leading the entire nation to its encounter with a new history.

[Question] What comment could you make for us regarding the recent Roldos-Bucaram dialog, which the president described (in a rather unoptimistic manner) as "apparently constructive"?

[Answer] If you qualify the question, you don't need my answer. However, I should reiterate the view expressed by President Roldos himself, when asked a similar question. The facts will give a practical proof of the constructive nature of the dialog.

[Question] At the meeting, was your dismissal proposed as part of the apportionment between the two branches: executive and legislative?

[Answer] I did not participate in the dialog. The question should be asked of the leading participants in the meeting. What I can give you assurance of is that I have at no time ceased to perform my duties as secretary general of administration in President Roldos' government.

[Question] What were your underlying reasons for linking Mr Bucaram with the allyship in that televised speech on Monday, 10 September?

[Answer] The bills to which I made reference in the televised speech of Monday, 10 September (as I proved to the entire country), did not cater to the national, popular and democratic interests which President Roldos' government has protected and will continue to protect. I believe that, on that occasion, I was sufficiently explicit in the overall political analysis of the situation which was the topic of the address.

[Question] They asked Mr Bucaram about La Previsora, and he refused to make any comment. Would you care to say anything about this refusal, you who have been among those who fought the issue most since the time when you were a newsman?

[Answer] I transfer the question to Mr Bucaram. He is the one who must answer, with his comments and his silence. My position toward the La Previsora issue, as you have so aptly put it, is well known and supported by public opinion. As a newsman, a public official and a citizen, I hope that light will be shed on this matter, so as to restore public morality and to restore the nation's faith in justice.

[Question] Returning to the congressional dispute, don't you consider it paradoxical that the government should lack a congressional bloc that would support its administration, despite the fact that the government party has a majority in the CNR?

[Answer] Yes, it is paradoxical.

[Question] Does the executive branch hope to have a bloc of CFP members who will bring the government's endeavors into harmony available immediately?

[Answer] The executive branch hopes that all the branches of the government will discharge their specific duties within the framework of the constitution and the laws, and that they will identify themselves with the changes that the Ecuadorean people desire.

[Question] How do you view the immediate future of the public administration and the government's performance with regard to the serious financial crisis that the national treasury is experiencing?

[Answer] What is essential to the success of the administration's management is the policy decision (which exists) to mobilize the society's desires and to coordinate the people's participation in the solution of their major problems. The financial situation left behind by the previous dictatorships is serious, but not fatal. By applying the principles of austerity in spending, ethical in administration and rational management of resources, the popular government will resolve the problem caused by the financial restrictions in a planned and progressive manner.

[Question] There have been widespread rumors that, with the advent of the new regime, "pull" on all levels, and a kind of "influence peddling," have been triggered, despite the claims to the contrary.

[Answer] The "pull" exists, but not at all as an alarming or unusual phenomenon. Have we forgotten what happened with each change of government in the past? What is important is to realize that "pull" reflects a state of unemployment and underemployment which the government will attempt to correct by opening up sources of jobs, and not by increasing the bureaucracy. "Influence peddling," on the other hand, reveals a state of immorality that is not in keeping with the integrity of the present government.

[Question] Emphasizing a point that we consider basic, how would you define the transformation to which the "Force for Change" aspires?

[Answer] The change that has been proposed involves the various aspects of national life. To summarize it briefly, its aim is to modernize the nation's productive system, to qualitatively enhance democracy, by making it participatory rather than superficial, to eliminate the vestiges of feudalism in agrarian production, to harmonize economic growth with social justice, to incorporate the great alienated masses into the benefits of civilization and culture, to streamline the administrative structure in order to make it compatible with the process, to protect the natural resources with a national criterion and to defend the national sovereignty and independence.

[Question] How would you describe the man who presumably will lead this change? Is he more of an idealist than a man of practical sense, or vice versa?

[Answer] President Roldos is one of the young personages who has most successfully managed to combine his profound theoretical knowledge with a concrete activity based on the national reality.

[Question] Apropos of President Roldos, he has offered to recognize the FRA [Alfarist Radical Front], but it would appear that Mr Bucaram is not willing to do this. How would you judge this new difference of opinion?

[Answer] President Roldos has complied with democracy and with his conscience by sending a bill to the National Chamber of Representatives for the purpose of allowing for legal recognition of the Alfarist Radical Front. Now, it is up to the Chamber to assume its historical responsibility.

[Question] The country has ended 7 years of dictatorship. The armed forces were reformed in the barracks. We are wondering: What role do you think the "Force for Change" intends to assign to the armed forces insofar as the issue of deepening of transformation is concerned?

[Answer] The armed forces are a part of the country. They are neither above nor below the Bolivian people; they are, rather, a part of the latter.



In order to achieve the change, national unity requires the patriotic contribution of civilians and the military. The nation's destiny is one and indivisible. Its attainment demands of every Ecuadorean, regardless of the clothes that he wears or where he is located, the amount of conscience and sacrifice that history requires. In the long run, we, together, have shaped the past, are living in the present and can build the future. The task is one for all of us.

2909

CSO: 3010

RECORD LOANS, PRIMARILY TO FINANCE ENERGY DEVELOPMENT

Credit Largely for PEMEX

Mexico City EL SOL DE MEXICO in Spanish 13 Sep 79 Sec A pp 1, 12

[Text] The president of the Mexican Association of Bankers, Rolando Vega, stated yesterday that Mexico has undertaken the renegotiation of our foreign debt in a partial but highly significant manner, because, despite the fact that the largest loan granted to our country by a syndicate of foreign banks, for \$2.5 billion, or about 57.5 billion pesos, was signed yesterday, the goal is to reduce the foreign debt.

The operation was concluded yesterday with the signing of the loan, with the participation of the 66 syndicated banks as well as Mexican authorities, including the director of PEMEX [Mexican Petroleum], engineer Jorge z Ser-rano; inasmuch as that entity will be the main recipient of the loan which has been granted.

It was noted yesterday that the operation will afford savings of \$150 million, because the interest rate agreed upon is a point lower than the London inter-bank rate.

In addition to the official report issued by the Secretariat of Finance, the president of the Mexican Association of Bankers, Mr Rolando Vega, underscored the advantages of this loan which, he said, has not only proven to be the largest loan to be granted on the bank acceptance market, but also "will not increase our foreign debt, but will, rather, essentially restructure it from the standpoint of costs based on time, something which is quite feasible for the nation."

He then remarked that its importance lies in the fact that "the use of this credit line will serve to advance the payment of short-term commitments related to our present foreign debt."

He added that it would do so "in such a way that those commitments would be replaced under better conditions of terms and costs than those previously granted to Mexico."

The official subsequently cited as "something really remarkable the fact that an agreement has been signed enabling the Mexican Government, through PEMEX, to share in a loan of \$2.5 billion on a market of \$36 billion, representing a very sizable share in this market. I believe that the loan is the largest which has ever been signed on this market."

The Secretariat of Finance, for its part, announced that the loan is related to the financial policy established by the president of the republic, and that not only that entity, but PEMEX and other national credit institutions as well, have negotiated on the international money market the contracting of new credit lines.

In this connection, it was reported yesterday that they "would reduce the cost of the debt and improve its structure, without increasing our country's net debt."

The terms of the loan are 6 years, and 66 banks from 11 countries, headed by the Bank of America, participated in the operation which took place yesterday at the Secretariat of Finance.

In conclusion, the Secretariat of Finance stated that the signing of this commitment "attests to Mexico's excellent credit image abroad, slightly less than 3 years since the beginning of the administration of President Lopez Portillo, who has succeeded in reactivating the economy and has started a consolidation process which will make it possible to lay the groundwork for a dynamic, steady development over the long term."

#### International Financial Support Urged

Mexico City EL SOL DE MEXICO in Spanish 13 Sep 79 Sec A pp 1, 12

[Text] Yesterday, President Lopez Portillo called upon the international financial community (if our proposal is accepted) to "join the undeferable effort that mankind must make for the timely development of all the alternate energy sources which are currently idle."

In the presence of 66 members representing foreign banks from 11 nations of the world, Lopez Portillo declared: "To solve the problem, large investments will unquestionably be required, which will demand financing;" and, therefore, "this is a good opportunity" for expressing the desires of the world of finance and for solving a basic problem of mankind, "particularly when one considers the alternative of upheaval and possible annihilation."

Lopez Portillo made the foregoing comments in the presence of those bankers representing powerful world banks who, through Peter Harold (the general director for international affairs of the National Westminster Bank, Ltd), had expressed to him their complete confidence in Mexico's economic development, which was the grounds for granting a loan at noon yesterday which they themselves described as being "of the greatest size."

The chief executive received them in the Carranza Room of the Los Pinos residence and, during the ceremony, which began at 1800 hours, David Ibarra, the secretary of finance and public credit, also spoke. The head of PEMEX, the head of the Bank of Mexico and Mr Jose Carral, representing the Bank of America, were in attendance.

After the bankers had been introduced, President Lopez Portillo opened his address, expressing appreciation for the effort that they "have made in this truly remarkable operation." (Information concerning the agreement will be provided separately.)

Then the chief executive observed: "We have often said that one of the problems of the developing nations is that of being in a vicious circle: They cannot develop their resources, because they lack financing; and they lack financing because they cannot develop their resources." He added: "Fortunately, the confidence that you have expressed, for which we are grateful, will enable us to break this vicious circle."

He also told them that Mexico has, for some time, had relations with many of the banks that were represented: "We have been particularly careful about our credit which, strictly speaking, is part of the assets of any organized entity. And the operation that we are now concluding will enable the country to make a substantial change in the profile of its debt; and this has become possible thanks to your comprehension and understanding."

The chief executive added that, with the amount which has been granted (\$2.5 billion), PEMEX will embark upon a new era in its activities: "We are initiating greater participation in the hydrocarbons market at a time when the latter are in a state of crisis."

He said: "Very shortly, I shall have the honor to be at the United Nations, there to express a theory which is very simple, but which I consider highly important: The forms of energy, and not only hydrocarbons, but all alternative sources, are the responsibility of mankind."

Lopez Portillo remarked that large investments would be necessary, and voiced the hope that the international financial community would join in the effort to solve this problem.

"I hope that, just as we are holding this function now, many others will soon take place throughout the entire world, wherein there is an expression of the desire of the financial community to solve this basic problem of mankind."

The secretary of finance, David Ibarra, stated in turn that the operation which was concluded would afford Mexico access to a market on which preferential rates prevail. He added: "This is also a sign that the international financial community, just as it backed us during the difficult days of 1976, is helping us now to take another step in the economic and social transformation of our country."

But furthermore, Ibarra Munoz declared: "With this operation, not only will the country be able to aid PEMEX in improving the profile and costs of its debt, and to encourage it to fulfill the strategic investment programs for the nation, but it will also be able to establish a new type of far more close, more cooperative and more fruitful relations with the international financial community."

Finally, the British banker, Peter Harold, speaking on behalf of the other bankers, expressed thanks for having been received at Los Pinos by the president of Mexico, and said that they were in agreement that the banks should only accept commitments which are judicious.

He also gave a reminder that President Lopez Portillo, both in the bank convention and in his report, had stated that the entire Mexican people could feel confident about the nation's economic development.

At the conclusion of the audience that he had granted them, the chief executive bade a cordial farewell to each one of the bankers.

2909

CSO: 3010

## NATION'S URANIUM RESOURCES DISCUSSED

### SEPAFIN Urges More Exploration

Mexico City EXCELSIOR in Spanish 14 Sep 79 Sec A p 22

[Text] A report from the National Energy Commission of the Secretariat of Patrimony and Industrial Development [SEPAFIN] states that, even though only 8 percent of the national territory has been actively explored in search of uranium, it is thought that a large portion of the country's area has favorable conditions for geological and geophysical exploration for the ore.

The entity reports that the regions considered most favorable for the discovery of uranium deposits are the territories of the states of Nuevo Leon and Tamaulipas, Sonora and Sinaloa, Baja California and the Central Mesa.

As of 2 years ago, the explorations established the proven uranium reserves at 31,800 tons, and the potential reserves at 225,000 tons.

The commission notes that the programs for the exploration, development and production of uranium have been revised by the new agency, Mexican Uranium (URAMEX), based on the studies made by the former Institute of Nuclear Energy, as well as by the Federal Electricity Commission which will be the main consumer of this energy over the coming years.

For this purpose, the aviation equipment has been increased, the most modern geophysical instruments have been acquired, technology has been adjusted and specialized technicians have been hired.

The commission indicates that, in the 1979-1982 work program, it is planned to rehabilitate the Villa Aldama plant, which has been relocated in the El Nopal mining development area; to build a conventional plant in Pena Blanca, Chihuahua; to purchase and install plants for the beneficiation of deposits in sedimentary rock; and, possibly, to purchase portable plants for the treatment of deposits with reserves of low volume.



#### Four Potential Areas Discovered

Mexico City EL SOL DE MEXICO in Spanish 20 Sep 79 Sec B p 3

[Text] San Luis Potosi, S.L.P.--The San Luis, Cerritos, Laguna Salada and El Salado alleys in our state have a great potential for uranium exploitation.

This announcement was made by the biologist Fernando Medellin Leal, head of the UASLP's [Autonomous University of San Luis Potosi] Institute of Desert Region Research, who also said that "they are probably considered a strategic reserve by the federal government."

The university specialist noted that this potential exists because of the fact that these valleys, or bolsons [pockets of rich ore] are closed basins which have no natural outlet to the sea.

He said: "When it rains, the water has no outlet, and only ends up evaporating, and hence the alkaline substances (including uranium) gradually accumulate."

The uranium in these bolsons has been increasing for centuries, and the present amount thereof has caused them to be considered a potential area for the exploitation of this radioactive ore.

Biologist Medellin remarked: "They are probably considered a strategic reserve by the federal government;" however, he explained that he was not certain of this, "because it is information to which not all of us have access."

The San Luis Valley, specifically, is one of the many bolsons that exist in the Chihuahua desert; and it is bounded on the southwest by the San Miguelito sierra, on the north by the Villa Hidalgo sierra and Tanque de los Caballos, on the east by the San Pedro sierra and on the south by the central highway.

The lowest part of the San Luis bolson lies on the site on which the UASLP's School of Agronomy is located (on the Palma de la Cruz communal land, in the municipality of Soledad), and the rainwater from here flows to that location.

Strangely enough, the southern part of the valley is bounded by Highway 57 and, when there is heavy rainfall (such as the last one in 1955), it overflows that barrier and empties into the Santa Maria River, which in turn carries it to the sea.

The bolson with the most potential in our state is that of Salinas, owing to the fact that it is bounded by sierras which do not allow any possible natural drainage for the water.

2909

CSO: 3010

# DEVELOPMENT, PLANS OF THE OIL INDUSTRY, 1970-1982

Mexico City EL DIA in Spanish 6, 7, 8 Sep 79

[Three-part article by Roberto Gutierrez R.: "Mexico's Oil Balance, 1970-1982"]

[6 Sep 79, p 20]

[Text] Note: This article is part of a more extensive research work in which, besides analyzing the relationship between the costs and foreign exchange income resulting from the hydrocarbon export policy, an attempt is made to establish the retrogressive nature of the cumulative pattern in the Mexican economy caused by this exporting conduct. The document is taken from Vol 29, No 8 of REVISTA DE COMERCIO EXTERIOR [Foreign Commerce Review].

## Introduction

The logical starting point for a study of the Mexican oil industry and its association with the balance of payments during this century should be based on two fundamental considerations:

i. Whereas, during the period of growth in an outward direction, oil production was designed to meet the economy's needs for foreign exchange (from 1920 to 1925, exports of crude accounted for about 40 percent of the average annual exports of commodities), after the nationalization of the oil industry and until the mid-1970's it was geared more to meeting the domestic demand for hydrocarbons.

ii. The resumption and growth of oil exports since 1974 have caused the economy excessive outlays of foreign exchange, ranging from those for imports of goods that the internal productive structure is unable to supply efficiently (industrial input, capital goods and, eventually, even wages) to the payment of interest and amortization resulting from the excessive foreign debt.

The decades of the 1920's and 1970's unquestionably constitute the two most significant periods for the oil industry in terms of the size of the foreign exchange produced for the economy. However, for the first years of the

decade of the 1980's, Mexico appears as an economy fundamentally dependent on the foreign exchange produced from its hydrocarbon exports. This article is intended to contribute to the visualization of this process, taking the year 1970 as a starting point.

#### Recent Past

This first part of the article is devoted to a study of the evolution of the foreign trade relating to hydrocarbons in Mexico during the past 9 years. The statistical data that have been provided are essential to an understanding of the short term trends shown in the current policy on exploitation and exporting of these energy sources.

#### Exports

It is common knowledge that, starting in 1969, after 31 years of self-sufficiency and even exporting capacity, Mexico stopped selling crude abroad until 1974. In 1970, the oil balance showed a deficit for the first time (1). This situation, and the change noted in production after 1974 (closely associated with the rise in international oil prices the previous year) have caused the present decade to be considered the most significant one for Mexico's oil industry since its nationalization in 1938.

In Table 1, we observe the two phases of Mexican oil exporting (downward and upward), during the 1970's.

The exports, in value, of petroleum products (crude, gasoline, kerosene, turbosene, diesel, etc.) show an upward tendency starting in 1973. For purposes of this article they are the ones of most concern, because they represent an average of nearly 98 percent of the total oil exports during the past 4 years. The slight relative participation of petrochemical products becomes evident when one notes that the exports thereof show an erratic trend. This, of course, will have to change, because those assets represent for Mexico not only an opportunity to increase its foreign exchange income, but also to save it (at present, purchases of petrochemical products abroad are still sizable).

Although the rate of the total exports shown in Table 1 indicates an average annual growth rate of 123.7 percent starting in 1974, this is, rather, the result of the increase noted during the past few years in the international price of oil (that of light crude nearly quadrupled between 1973 and 1974, and rose between the latter year and 1977 at an average annual rate of about 5 percent). (2) Hence, it befits us to observe the real growth rates of exports, based on their volume. For this purpose, we shall only consider petroleum products, first because they represent nearly all the foreign sales and, second, because petrochemicals pose problems involving homogenization (see Table 2).

The foregoing problem is necessarily compounded by another one: the virtual monopsony that the United States has exercised thus far in sales of Mexican crude oil (see Table 3).

### Imports

Insofar as imports are concerned, the evolution during the current decade is shown in Table 4. What we are most concerned with underscoring in that table now is, on the one hand, the increasing rate of imports of petroleum products until 1974, which was later gradually reversed to the extent that they were on the same level in 1977 as in 1972; and, on the other, the sizable and steady growth in imports of petrochemical products until 1977.

Like Table 1, Table 4 shows an evolution in terms of value. We shall not make the conversion to volume, first because petrochemical products (which are highly significant among the total imports) pose problems involving homogenization; and, second, because, at the moment, what is most important is to ascertain the evolution of Mexico's oil situation on the basis of its nominal capacity for producing foreign exchange. This may be visualized perfectly in Table 5, which summarizes the evolution of Mexico's oil trade with foreign countries during the 1970's and shows several factors of particular importance to the Mexican balance of payments:

a. In 1970, the oil industry's exports contributed 3.1 percent to the total exports of commodities, a percentage which rose to 31.5 in 1978. This means that, in the latter year, nearly a third of all exports of commodities consisted of oil. On the one hand, this demonstrates the oil industry's great capacity for producing foreign exchange; and, on the other, it places the Mexican economy on the razor's edge, because it makes the income from exports depend largely on the marketing of a single type of product. What is important is to accrue the greatest possible advantage from the nation's oil resources. Otherwise, the profits in the form of foreign exchange from oil sales will only serve to replace the losses of foreign exchange from other export products and resulting from the import requirements of the oil sector itself.

b. In 1970, imports of petroleum and petrochemical products represented 1.9 percent of the total imports of commodities. By 1973, that percentage rose to 7.5, and it dropped to under 4 percent starting in 1976. Although this percentage will tend to decline even more over the short term, we must prevent the flight of foreign exchange represented by imports from the oil balance, comprised mainly of petrochemical products, by means of a policy that will make it possible not only to achieve self-sufficiency in this area, but also to produce foreign exchange.

c. The average deficit in the oil balance for the period 1970-1974 represented 8.2 percent of the total deficit in current account of the balance of payments, with a top figure of 21.4 percent in 1973, the most critical year for this industry in this decade. The nominally surplus status of the oil balance during the period 1975-1978 (3) represented a substantial savings in foreign exchange.

## Foreign Debt

Despite the increased volume of PEMEX [Mexican Petroleum] exports, this company's financial situation and its expansion requirements have necessitated an increase in its foreign debt. During the past 5 years, its own resources have only managed to finance 70 percent of its requirements. In order to meet the rest (30 percent), it has been forced to seek loans on the international financial markets; because those in this country have been insignificant (on the order of 5.5 percent as an average annual amount during the period cited). (4)

The PEMEX foreign debt (like that of any other firm or institution) has had a twofold negative effect on the balance of payments: On the one hand, it has increased the deficit in current account as a result of the payment of interest for the use of foreign capital; and, on the other, it has fostered a flight of foreign exchange from its capital account, resulting from the need for periodic coverage of the amortizations. (5)

This, which as a whole constitutes the service on the PEMEX debt, has represented a large expenditure of foreign exchange in recent years. A comparison between the first and last years of the current decade will enable us to make a better observation of the foregoing.

Whereas the foreign credit contracted for by PEMEX in 1970 represented only 0.80 percent of the total net volumes of long term credit granted to Mexico that year, by 1978 that same contracting represented 22.4 percent of the total volumes of long term credit and public sector bond sales. (6) The total foreign credit granted to PEMEX in 1978 represented 52.7 percent of the annual increment in the public sector's foreign debt (see Table 6).

It may seem surprising that PEMEX should absorb the largest percentages of annual increment of the public foreign debt precisely during the first years of this decade, which were the ones of the greatest oil shortage. However, it must be borne in mind that, during that period, major exploration activity was carried out, leading to the discovery of the wells which are currently the most productive (those in the area of Reforma, in Chiapas, and in Tabasco). (7) It was thanks to these investments that Mexico managed to rise from the rank of a net importer to that of a net exporter in 1975.

As for the total PEMEX foreign debt at the close of each year, it has maintained a relationship to the public foreign debt for the same period of about 10.4 percent as an annual average (see Table 7).

Table 7 shows something irrefutable: PEMEX is the parastate company which is, day by day, resorting more to foreign financing, which has made it the most indebted institution in the country, and the oil company with the greatest foreign debt commitment in the world, even exceeding that of Exxon and British Petroleum. (8)



In Table 8, one can visualize the effect of the PEMEX debt on the country's balance of payments.

Perhaps the most important item in Table 8 is the fact that the PEMEX foreign debt service represents a high percentage of the service on the public sector's total foreign debt, which averaged 36 percent during the period under study, and which is sizable, particularly during the first 3 years. Nevertheless, there is every indication that it will increase again in the near future. First, because the recent debt contracts made by PEMEX abroad require greater service; and, second, because this company, as a result of its high degree of solvency, has become an excellent "procurer" of contracts which can supply foreign exchange to the public sector as a whole; and, third, because the increase will continue to pose problems for the state oil company, at least over the short and medium terms, relating to self-financing and a Mexican market with available funds which is not as yet sufficiently dynamic. We shall return later to the potential evolution of this debt and its pertinent service.

### Short and Medium Term Prospects

#### Income

Apart from the foreign debt, the only practical way in which PEMEX can obtain income from abroad is through its exports. However, there has been constant discussion of this company's exporting technology to certain Latin American countries, claiming that even Algeria, on the African continent, has requested technical advice from it for installing a gas pipeline. The income that these activities could represent to the country in terms of foreign exchange, at least for the time being, is less than insignificant. This is why it is not taken into consideration in the breakdown of foreign exchange income that will be provided subsequently.

#### Crude

The 6-year plan for development of the oil industry prepared at the beginning of the present administration (December 1976) has been changed, at least insofar as crude is concerned, on two occasions (the early months of 1978) (9), and the beginning of 1979 (10), taking the budgets into consideration.

[7 Sep 79, p 20]

[Text] i. The average price for 1979 has been estimated on the basis of the rate ordered by the Organization of Petroleum Exporting Countries (OPEC) in the latter part of June (from \$18 to \$23.50 per barrel) (11), to go into effect during the third quarter of that year; and on the basis of this, PEMEX established an export price of \$22.60 per barrel. (12)

ii. From 1980 onward, annual increments of 10 percent in the per barrel price of Mexican oil are presumed, which have been calculated on the basis of the gross price anticipated in December 1979, namely, \$25.



iii. Even the most moderate of the four production options submitted by PEMEX in February 1979 has been reestimated, conservative rates of increase in exports have been considered and the projections in "2-A Alternative" of 1978, have been rejected, for the following reasons:

a. In 1978, there were delays in the export plans, because of the average 430,000 barrels per day that it was expected to sell abroad, surpluses of only 365,000 barrels were available. b. "1 Alternative on PEMEX Production, Refining and Exports for the Period 1979-1982" does not include for all the years the production from Chicontepec, a decision which seems logical when one considers the fact that the development of an oil area will take about 5 years, and that of the field in question, if authorized, may not begin until 1979 or 1980.

iv. It is felt that there will not be any significant changes in the domestic prices of hydrocarbons which would make it possible to increase the exportable margins.

It is interesting to note that, if PEMEX's projections are borne out, in 1979 the exports of crude oil will exceed the largest deficit in current account in the balance of payments in the history of Mexico, that of 1975 (\$3.693 billion).

Before proceeding to the next category of exports, three observations must be made regarding the PEMEX production, refining and export plan, which could to some extent affect the projections in Table 9:

i. The civil strife in the leading oil exporting countries has always affected the volume of world production. The resultant shortage may be larger or smaller, depending on the volumes produced previously by the country in a state of conflict. However, this shortage cannot extend beyond the number of months strictly required for the other producing and exporting countries to reorganize their production capacity, while new suppliers, with the aid of the industrialized countries, set forth on a massive production of hydrocarbons. If the crisis in the exporting country becomes mitigated at that very time, to the point of allowing for a resumption of exports at the rate preceding the conflict, the oil shortage on the world markets could well become a surplus, causing new intervals of relative price stability.

ii. The oil policy of the nations on the Trilateral Commission (the United States, Canada, Western Europe and Japan) revolves around the development of new potential hydrocarbon producing areas. (13) Thus, the United States, a country which consumes 33 percent of the world's crude production, will not spare any effort or resources aimed at increasing Mexico's productive capacity. The advantages of this policy for the industrialized countries are proven by the fact that they have enjoyed stable prices for 2 years (1977 and 1978). This is basically due to the discoveries in the North Sea, Alaska and Mexico.

iii. It behooves us to make at least two comments regarding Mexico's oil potential, on which the fulfillment or non-fulfillment of PEMEX's expansion plans is contingent:

a. We cannot lose sight of the fact that the optimal exploitation of the wells bears an inverse relationship to the rate of exploitation. This is essentially a call for attention to the Cretaceous area (Chiapas and Tabasco), which provides 70 percent of the national production. The bottom pressure of its wells has decreased considerably during the past 2 years, which means a decline in the recovery factor, leading to the use of more expensive techniques.

b. The possibilities for the development of other oil-producing areas are not at all optimistic, particularly over the short term. This holds true even for the two areas that are considered the most abundant after the Cretaceous one: that of the marine platform of Campeche, and that of Chicontepec. Even with the depth at which the oil in Reforma is located (up to 5,000 meters), its development is more profitable than that of the other two areas. (14)

#### Basic Petrochemicals

The basic petrochemical industry, over which the state, through PEMEX, has absolute control, is attempting to supply the domestic market completely, and even to have exportable surpluses of a certain volume which would enable it to accrue positive amounts in its balance of trade abroad. The program for the beginning of the 6-year period was devised by attempting to attach priority to the products with a greater worldwide demand (ammonia, polyethylene, aromatic hydrocarbons). By so doing, it expects to export 26 percent of the basic petrochemical production, which should double by 1982. At the present time, there are no arguments which belie these assumptions, especially when one considers the fact that we have internally sufficient natural gas, an essential raw material for basic petrochemicals. The evolution of these exports is shown in Table 10.

A separate category is secondary petrochemicals, which are in the hands of private firms in which the state wants to participate, at best as a minority shareholder. (15) The added value of these products is sizable but, for purposes of this article, an analysis thereof has been omitted, first because it is beyond the scope of the oil situation that we are attempting to analyze here; and, second, because its type of ownership prevents the state from making an optimal projection of its development. This may be a partial explanation for the fact that, at the end of 1975 (when Mexico was already enjoying a considerable surplus in its oil balance), the secondary petrochemicals industry was operating at only 71 percent of its installed capacity. (16)

#### Natural Gas

Although Mexico has, since the second quarter of 1979 (17), been technically equipped to export relatively large volumes of natural gas to the United

States, the Mexican nation's loss of negotiating power associated with the hasty construction of the Cactus-Reynosa gas pipeline, the attitude assumed by the Congress of the United States and by President Carter himself during his visit to Mexico in February 1979 and the Mexican Government's decision to use this energy source domestically have precluded any prediction about possible exports. However, in order to make the analysis of this potential more objective, one must bear in mind at least the following points:

i. The current price of 1,000 cubic feet of natural gas in the United States is \$2.14. The Mexican Government would only agree to sell it above the price set in 1977, namely, \$2.60; because a yielding position would mean serious detriment to it, in view of the internal expectations that have been created and the nationalist spirit that the issue has aroused.

ii. It has become virtually impossible for Mexico to export natural gas to other countries besides the United States, because the costs of liquefaction reduce the profit margin, added to the fact that the country does not yet have the necessary equipment for subjecting the gas to this process, nor the shipping fleet required for transporting it.

iii. The United States has given clearcut indications of a lack of interest in Mexican natural gas. The Carter energy plan and its literal interpretation by the head of the Department of Energy of that country lead one to assume that this position will not be readily changed. This has been proven if one considers the fact that: a. Eximbank [Export-Import Bank] stopped financing the construction of the Cactus-Reynosa gas pipeline, after having agreed to do so; b. U.S. Steel, a United States company which had promised to supply the pipes 48 inches in diameter for the pipeline, pretended to have problems in fulfilling its contract, forcing PEMEX to resort to West European and Japanese iron and steel companies; c. the United States is almost self-sufficient in natural gas (it produces about 90 percent of what it consumes), and, insofar as the volume of reserves is concerned, it ranks among the three leading countries (after the USSR and Iran). This enables the United States Government to resist the internal pressure from both consumers and the gas companies (the latter are actually the ones that would benefit from the purchase of Mexican gas, because they could have an excuse for raising the domestic price of energy), whereas Canada has been prevented from raising the price of natural gas exports to the United States; d. the Carter government has stipulated the need for reducing its country's energy dependence and, hence, in an effort to cut imports, it has proposed that the U.S. oil companies intensify their exports in Alaska; and, e. on his visit to Mexico in February 1979, the United States president stated that his government's interests were over the long term, particularly with regard to Mexican natural gas. The Mexican president, for his part, reaffirmed his government's decision to use the energy internally to support the country's industrialization.

Under these conditions, and for the purpose of setting completely attainable goals in the area of hydrocarbon exports, this article starts with the assumption that Mexico will not sell its natural gas abroad during the coming

years of the present administration. This, in turn, means doing without considerable amounts of foreign exchange.

When he appeared before the Congress of the Union in October 1977, the general director of PEMEX assumed that, starting in 1980, Mexico would be exporting to the United States, at a price of \$2.60, a daily average of 1.919 billion cubic feet of natural gas. He ventured to say that, by 1982, that figure would reach 2.184 billion cubic feet. In this way, according to his calculations, Mexico would gain \$7.597 billion during the 6-year period from exports of this energy source. (18) History has proven, once again, that technical possibilities are not necessarily related to political viability.

#### Other Products

In view of the Mexican Government's decision to consume the natural gas internally, great emphasis has been placed on the notion that the exports might be replaced with those of fuel oil. However, this is rather unlikely when one considers the fact that the country has not yet achieved self-sufficiency in this product, as has been proven by the fact that, in 1977, it imported 11,403 million barrels of fuel oil, as compared with exports of 192,000 barrels of the same energy source and residual products. We must add to this the purchase abroad, through exchanges, of an additional 180,000 barrels. (19) In 1978, the imports amounted to 4.8 million barrels (\$52.5 million), and they came from three countries: the United States, the Dutch West Indies and Ecuador. However, there was no export counterpart. (20)

Insofar as refined products are concerned, we must not lose sight of the fact that there is an excessive refining capacity in the world, which prevents PEMEX from being able to compete successfully in this type of export. The reason for this is that, in 1978, gasoline, diesel, kerosene and transformer oil (the four types of refined products sold on foreign markets) represented only 0.5 percent of the total exports in Mexico's oil balance. As for liquid propane and butane gases, it is likely that considerable exports will become consolidated over the short term, especially when one realizes that PEMEX established commitments for the sale of these products with the North American firm Phillips Petroleum, "at a price of \$15 million and an initial volume of 5,000 barrels per day." (21) Nevertheless, it must be admitted that, up until 1978, there was a deficit in this area; because liquid gas imports amounted to \$984.3 million (6,001.5 tons). The purchases were arranged with Venezuela and the Dutch West Indies. (22)

Finally, what may be concluded regarding exports of refined products and liquid gas is that their prospects over the short term cannot be so bright as was assumed when Mexico's present oil policy was initiated. However, the fact that the decision has been made to consume the natural gas internally, and the Federal Electricity Commission has announced that it will supply through its dual systems up to 1.1 billion cubic feet of gas per day (23), which is equivalent to over 50 percent of the capacity planned for the pipeline, warrants the assumption that some amount of fuel oil will have to be released. We should add to this the contracts for selling liquid gas abroad that have already been cited.

## Nominal Contribution of Foreign Exchange for the 6-Year Period

In the areas of the oil industry controlled by the state, and based on the statistics that have been calculated to date, we can attempt to devise a table of the income anticipated by Mexican Petroleum from exports during the period 1977-1982.

According to Table 10, the Mexican economy's income from exports of hydrocarbons and basic petrochemicals will be \$41.247 billion, with an average of \$6.874 billion annually, during the entire 6 years. However, it is based on 94.7 percent crude oil and 96 percent basic hydrocarbons. The average figure of \$6.874 billion exceeds all exports of commodities made by Mexico in 1977 (\$4.093 billion) (24), and even exceeds the GNP of such European countries as Iceland and Luxembourg. (25)

Nevertheless, it is obvious that, in order to obtain this amount of foreign exchange, the oil industry must make heavy investments, contract for loans, import capital goods and provide for operating expenses, etc., which will also inevitably cause outlays of funds. Since, in this article, we are concerned with the macroeconomic effect of oil rather than with a concrete study of PEMEX as a company, the next step consists of reckoning the outlays of foreign exchange to be made by this country during the next few years, which will enable it, first, to meet the total domestic demand (we should remember that there is not as yet complete self-sufficiency in refined products and liquid gas, much less in basic petrochemicals) (26), and second, to increase its exporting capacity. We shall devote the following section to this.

### Expenditures

In view of the semi-industrialized nature of the Mexican economy and its concurrent dependence on imports (since 1956, the current account in the balance of payments has not experienced a single year of surplus), we should not be surprised that any industrial project requires a large amount of foreign exchange. In the concrete case of PEMEX, these expenditures are:

i. Service on the foreign debt.

ii. Imports of certain petroleum products, particularly petrochemicals, to meet the domestic demand, as well as the purchase of materials, catalytic agents and chemical substances which are not produced in Mexico.

iii. Imports of machinery and equipment for exploration, extraction and processing of hydrocarbons.

iv. Service for leasing offshore drilling machinery, exploration vessels and foreign tankers for the marketing of hydrocarbons.

v. Others. Included in this category would be: a. payments to foreign researchers who make studies on national and international prices, demand and



prospects for the oil industry; (2) b. royalties for the use of imported technology; And, c. salaries and commissions for foreign technicians who are engaged in exploration and development work (particularly offshore), in addition to advising the petrochemical industry. Part of these salaries and commissions inevitably leaves the country, whether through possible remittances or when the technicians leave it. Also included in this category are other lesser expenditures, such as those for insurance, consular fees, administrative costs and delays, which the PEMEX Foreign Commerce Department combines as "miscellaneous."

Abiding by his classification, insofar as the information allows, we shall present below an analysis of the projections on Mexican Petroleum's expenditures.

#### Foreign Debt

As has been noted previously, PEMEX's lack of self-financing capacity has forced it to resort to international loans. According to official statements, in 1982 PEMEX's total foreign debt will be 34 billion pesos (28), (approximately \$1.4783 billion); which represents a reduction of \$1.5593 billion in comparison with its total foreign debt as of December 1977.

It is vitally important to ascertain the evolution of this debt. For this purpose, we have the projections of the PEMEX Assistant Manager's Office of Financial Analysis and Evaluation which, although they were made at the beginning of the 6-year period, are still reliable.

When one considers the fact that the Mexican Government has subjected its economy to the stringent stabilizing controls imposed by the International Monetary Fund in the area of the public sector's foreign debt which, after serious consideration, the Agreement on Expanded Facility signed in 1976 "suggested" should not exceed \$3 billion per year during the period 1977-1979, we shall observe that the PEMEX contracts in 1978 represented over 60 percent of that amount.

These observations, added to the development plans for oil-producing areas such as the Chicontepec Paleocanal and the Campeche Marine Sound, preclude accepting the hypothesis of certain official circles that, after 1980, the state oil company will be able to do without foreign financing.

The service on the PEMEX foreign debt is shown in Table 12, although it must be remembered that, strictly speaking, the payment of the foreign debt does not constitute a loss of foreign exchange for the economy, but only the counterbalancing items for a previous input. Therefore, although we are now providing the projections on the complete service on the PEMEX foreign debt for the period under study, in the consolidated table on expenditures we shall only consider the payment of interest as an outlay of foreign exchange. We should also note that, assuming that PEMEX's internal financing is minimal, no deductions were made from the total expenditures for debt service; but, rather, the totals as projected by the state oil company are given.



It is fitting to recall that the service on the PEMEX foreign debt is related not only to loans contracted under the present administration, but also to a debt accumulated up until 1976 (\$2.221 billion). See table 9. Thus, the figures which are shown allow us to infer that 26.9 percent of the \$8.568 billion to be generated in payments of interest and amortization abroad will be in the form of interest. In this regard, a highly important observation must be made: The relationship of the sum total of interest for the foreign debt and the sum total of loans contracted plus the debt accumulated as of the date when the calculations were made is greater, in the case of PEMEX, for the period from 1977 to 1982 than it was for the public sector during the period from 1970 to 1977 (23 percent). (29) The only possible explanation is the fact that PEMEX resorts basically to the financial markets in Europe and Japan, whose interest rates exceed those on the United States market, which is where the public sector as a whole has obtained most of its loans. Furthermore, the financing obtained by PEMEX in recent years has been of the syndicated type, whereas that of the public sector during the period 1970-1977 was frequently of the multilateral type. The fact that a banking consortium charges a higher interest rate than an international agency such as the World Bank, the IBD or the IMF can be readily explained in terms of the objectives of each kind of institution.

[8 Sep 79, p 20]

[Text] Petroleum Products, Petrochemical Products and Basic Input

As has been noted, and as may be observed in Table 3, Mexico is not yet self-sufficient in petroleum products or basic petrochemicals. Imports of both particularly the latter (75 percent of the total in 1977, and 58.2 percent in 1978), will continue, at least over the short term, although with a downward trend. We must add to these imports those of other products which we have included here for convenience and which are shown in Table 13.

There are two observations regarding Table 13 that must be borne in mind:

- i. The imports of petroleum products (over 90 percent of the total value of which was represented by liquid gas, diesel, lubricants and residual products in 1977 and 1978) (30) may decline starting in 1979, when Mexico increases its natural gas production and releases some amount of residual products and diesel.
- ii. It is likely that imports of petrochemicals will drop starting in 1979, mainly because the country will gain ground in the production of aromatic hydrocarbons, polyethylene and a few more such products, which represent considerable outlays (Mexico has already succeeded in becoming a net exporter of methanol and ammonia).

#### Machinery and Equipment

The imports of machinery and equipment made by PEMEX are essential to the technological development of this company, because the Mexican Petroleum

institute does not yet offer self-sufficiency in the domestic production of this type of commodity. (31) An example of the foregoing is the fact that, up until 1976, "...nearly three quarters of PEMEX's machinery and equipment came from abroad;" (32) and it would be difficult for it to reverse this trend. As we know, the United States companies control most of the technological development of the exploration and development work done at sea, and much of that done on land.

We must add to this the fact that, insofar as processing is concerned, PEMEX requires equipment for changing the systems for refining heavy crude with a high sulfur content (which is the kind traditionally extracted from the Mexican subsoil), because the new strata in the southeastern part of the country have an abundance of lighter petroleum with a lower sulfur content. (33)

To give an idea of the outlays in foreign exchange that PEMEX's production expansion will represent to the country over the short term, we offer the following quotation:

"During a recent arrangement, it was agreed that Yugoslavia would supply equipment for exploration and development valued at the equivalent of \$20 million. Gulf Marine Drilling and Central Drilling have purchased six oil rigs valued at \$9 million from Texas International, which will be operated under contract with PEMEX. (Moreover), after the recent 1978 Petro-Progress Commercial Fair displaying equipment for the oil industry, organized by the United States, sales totaled \$1.1 million; and it is estimated that they might amount to \$134 million this year." (34)

These imports of equipment alone amount to \$187 million. PEMEX estimated the annual total at \$857 million, a figure which, however, based on unofficial calculations, may have been exceeded by November of this year. (35) Nevertheless, the difference would appear to be minimal, in addition to the fact that we must adhere to PEMEX's figures, since they are the only ones backed officially.

#### Service for Leasing Maritime Drilling Machinery, Exploration Vessels and Tankers

Actually, the information that exists in this area is vague. However, we know that the 48.7 percent of the total Mexican merchant fleet consists of oil vessels (36), and that PEMEX has only 30 units, the capacity of which totals 4.9 million barrels. (37) During 1977, this fleet moved 16 billion kilometer-tons, whereas the transportation needs were for 22.3 billion kilometer tons. Therefore, the deficit in the oil industry's maritime transportation during the year in question totaled 6.3 billion kilometer-tons. (38) This represented a shortage of 28 percent. This disproportion is expected to increase in the near future, first because there are as yet no concrete plans for purchasing oil tankers, (39) despite Mexico's need for them, because it is marketing the product in several countries besides the United States (Israel, Spain, Puerto Rico, Canada, the Netherlands and Japan), see

Table 3; and, second, because the increased production rate requires that it not tie its exports to just one purchaser. In 1978, the United States purchased 89 percent of PEMEX's foreign sales, something which advises diversifying its sales, for which purpose it will need to lease a larger number of foreign tankers. In the realm of technology for maritime exploration and development, Mexico's dependence is very great, because it is provided mainly by drilling ships from the United States. The outlays of foreign exchange for this item are tending to increase because, whereas, in 1978, the plan consisted of drilling 15 offshore wells in the Gulf of Campeche, that number may reach 41 in 1979, (40), and 50 for the entire country. (41)

It is difficult to determine the total amount of expenditures for these operations, and for leasing tankers. However, based on the available information, we shall attempt to make up a table that will cover the total sum of these disbursements for the period under study.

#### Other Outlays of Foreign Exchange

According to our own deductions and calculations, based on scattered information, these outlays should have features similar to those in Table 16.

With all the information submitted to date we are in a position to deduce the net production of foreign exchange in the oil industry for the current 6-year period. However, certain final observations must be made concerning some factors which could change our projections on expenditures:

- i. The dynamics of domestic production of goods and services demanded by PEMEX;
- ii. The preparation of technical cadres that will replace the foreign ones;
- iii. The setting of realistic domestic prices which will enable the company to increase its capacity for self-financing, thereby reducing its dependence on foreign credit; and
- iv. The handling and dissemination of information on the part of PEMEX.

#### Net Generation of Foreign Exchange

PEMEX's net contribution of foreign exchange to the economy during the period projected understandably results from a mere subtraction of expenditures from income, and is shown in Table 17.

The entire series of calculations continued from Table 9 to Table 17 has led us to one undeniably important conclusion: Hydrocarbons have now become the products with the greatest capacity for generating foreign exchange in the Mexican economy, particularly crude oil, which accounts for over 95 percent of the total exports in the oil balance. According to Table 17, in only 6 years the Mexican economy will be receiving nearly \$30 billion, net, from exports of hydrocarbons and basic petrochemicals.

Once the amount of this surplus has been ascertained, the questions that arise will, on the one hand, relate to the use that must be made of it to justify the oil policy that has brought it about, and, on the other, the features that the Mexican economy will have to assume, particularly with regard to: i. the slackening of its recurrent foreign exchange gap; ii. the state's greater spending capacity; and, iii. the structure of its commercial relations abroad. This is, obviously, the subject of a more extensive article which the purposes and space of this one do not warrant, but one which will have to be undertaken at the proper time.

#### FOOTNOTES

1. PEMEX, Statistical Yearbook, Mexico City, 1977.
2. See: "Petroleum: Before and After the Qatar Meeting," in COMERCIO EXTERIOR, Vol 27, No 1, Mexico City, Jan 1977, p 93.
3. The real contribution in foreign exchange made by PEMEX to the Mexican economy will be the subject of subsequent observations.
4. PEMEX, Work Records, 1974-1978.
5. However, we should not disregard the fact that amortizations constitute a counterbalancing entry for a previous receipt; and, hence, strictly speaking, the loss of foreign exchange to the economy as a whole includes only the interest paid.
6. PEMEX, Work Records, and Bank of Mexico, Annual Reports, 1970 and 1978.
7. It is suggested that the figures on exploration, drilling and development in the PEMEX Statistical Yearbook, Mexico City, 1977, pp 4-9 be noted.
8. Luis E. Gutierrez Santos: "Abundance of Oil or Shortage of Foreign Exchange?: a Question of Economic Policy," Lecture at the National Autonomous University of Mexico, Mexico City, July 1978.
9. See PEMEX, "2-A Alternative for Production, Platform, 1980," Mexico City, 1978; and Jorge Diaz Serrano, "Report of the General Director," March 1978.
10. See PEMEX, "1 Alternative for Production, Refining and Export of Crude, 1979-1982," Mexico City, February 1979. (Of course, this must be considered as only a proposal.)
11. See "OPEC Decides on New Hike for Crude and Double Price Per Barrel, \$23.5 Maximum and \$18 Minimum," in UNO MAS UNO [One Plus One], Mexico City, 28 June 1979.

12. See "Price of Mexican Crude Up 32.2 Percent," in UNO MAS UNO , 6 July 1979.
13. For a more detailed analysis of this topic, see Campbell, Carmoy and Kondo, "Energy, the Imperative for a Trilateral Approach," in CIDE [expansion unknown], Weekly Notes, Nos 2-3, Mexico City, 1978, pp 249-257.
14. In Chicontepec, the drilling will cover approximately 1,500 meters, and on the marine platform in Campeche it will range around 3,500 meters.
15. Jorge Diaz Serrano, op. cit., p 15.
16. Mexican Petroleum Institute, "Development and Prospects of the Mexican Petrochemical Industry," Mexico City, 1977.
17. The pipeline, still without compression valves, was opened on 18 March 1979, with a flow capacity of 800 million cubic feet per day.
18. Jorge Diaz Serrano, "Appearance," IMP [Mexican Petroleum Institute], Mexico City, October 1977, p 335.
19. PEMEX, Work Records and Statistical Yearbook, 1977.
20. PEMEX, Foreign Commerce Department, Bulletin of January 1979.
21. See EXCELSIOR, Mexico City, 11 Sep 78.
22. PEMEX, Foreign Commerce Department, Bulletin cited.
23. See UNO MAS UNO, 27 Feb 78.
24. Bank of Mexico, Annual Report, 1977.
25. Based on data from the OECD [Organization for Economic Cooperation and Development], in "Stock Market," Vol XXXVIII, No 30, Mexico City, July 1978, pp 600-601.
26. See PEMEX, "Imports of Petroleum Products and Petrochemicals," in Work Records, 1977, pp 135-140.
27. See Manuel Buendia, "Private Network," in EL SOL DE MEXICO, 9 Aug 78.
28. Jorge Diaz Serrano, "Report of the General Director," op. cit., p 23.
29. Based on data from Annual Reports of the Bank of Mexico.
30. PEMEX, Work Records, 1977 and 1978.

31. According to official statements, Mexico's supply in this category is 60 percent. See EXCELSIOR, 26 Apr 78, interview with engineer Fernando Manzanilla S.
32. See Laurence Whitehead, "Oil and Prosperity," in FORO INTERNACIONAL [International Forum], No 72, the College of Mexico, Mexico City, April-June 1978, p 658.
33. Eduardo Turrent Diaz, "Oil and Economy, Short Term Costs and Benefits," in FORO INTERNACIONAL, op.cit., p 642.
34. Bank of London & South America, "M Summary of the Current Situation," in NEWS REVIEW, June 1978.
35. We should recall the large imports of equipment that were required in 1978, primarily for the construction of the Cactus-Reynosa gas pipeline.
36. See Carlos Bandala F., general director of merchant marine in the Secretariat of Communications and Transport, in EL DIA, Mexico City, 30 May 1978.
37. PEMEX, Work Records, 1977, p 128.
38. PEMEX, op. cit., p 141.
39. Carlos Bandala F., EL DIA, 30 May 1978.
40. Data from the General Directorate of Energy.
41. Jorge Diaz Serrano, Report....op. cit.



Table 1. Exports of Petroleum Products and Petrochemicals, 1970-1978  
(millions of pesos)

(1)	Año (2)	Petroleros (1)	Tasa de incremento anual (%) (3)	Petroquímicos (2)	Tasa de incremento anual (%) (5)	Totales (1) + (2) = (3)	Tasa de incremento anual (%) (7)
	1970	369.5	- 5.8	47.3	-	504.0	-
	1971	339.0	- 8.2	48.3	2.1	433.3	- 14.0
	1972	268.1	- 20.5	34.7	- 28.2	323.7	- 25.3
	1973	382.2	39.3	58.6	68.9	448.6	38.6
	1974	1 548.0	305.0	119.0	103.1	1 668.2	271.9
	1975	5 807.6	373.2	54.1	- 54.5	5 861.7	251.4
	1976	6 994.1	20.4	8.7	- 83.9	7 002.8	19.5
	1977	23 355.0	233.9	76.2	775.9	23 431.2	234.6
	1978	40 259.2	72.4	1 536.6	1 916.5	41 795.8	78.4

(8) a. De 1970 a 1974 el total no coincide con las sumas de las cifras parciales porque se excluyen de la clasificación de exportaciones algunos productos, como gas natural.

(9) Fuente: PEMEX, memorias de labores, 1970-1978.

Key:

1. Year
2. Petroleum products (1)
3. Annual rate of increase (%)
4. Petrochemicals (2)
5. Annual rate of increase (%)
6. Total (1) + (2) = (3)
7. Annual rate of increase (5)
8. From 1970 to 1974, the total does not coincide with the sums of the partial figures, because some products, such as natural gas, are excluded from the exports category.
9. Source: PEMEX, Work Records, 1970-1978

Table 2. Volume of Exports of Petroleum Products, and Relative Participation of the Oil Balance in Total Exports, 1970-1978

(1)	Año	(2)	Miles de barriles	(3)	Tasa de incremento anual (%)	(4)	Participación en el total <sup>a</sup> (%)
	1970		22 413		—		73.3
	1971		17 310		- 22.8		79.5
	1972		9 441		- 45.5		82.8
	1973		8 699		- 7.9		84.3
	1974		6 463		- 25.5		92.8
	1975		36 950		471.7		99.1
	1976		35 690		- 3.4		99.9
	1977		75 388		111.2		99.7
	1978		133 920		77.6		96.3

(5) a. En términos de valor.

(6) Fuentes: Pemex, *Anuario estadístico, 1977*, y memorias de labores 1977 y 1978.

Key:

1. Year
2. Thousands of barrels
3. Annual rate of increase (%)
4. Participation in the total (%)
5. In terms of value
6. Sources: PEMEX, Statistical Yearbook, 1977; and Work Records, 1977 and 1978

Table 3. Exports of Crude According to Country in 1978, By Months (thousands of barrels)

(1) Meses	(2) Estados Unidos	(3) Israel	(4) España	(5) Puerto Rico	(6) Canadá	(7) Holanda	(8) Japón	(9) Totales	Promedio diario
(11) Enero	6 461.2	669.9	-	338.7	-	-	-	7 469.9	241.0
(12) Febrero	6 816.2	655.7	-	-	-	-	-	7 471.9	266.9
(13) Marzo	7 443.7	664.1	-	-	-	-	-	8 107.8	261.5
(14) Abril	5 241.1	349.0	443.1	-	262.7	-	-	6 295.8	209.9
(15) Mayo	8 804.1	637.2	-	-	-	-	-	9 441.2	304.6
(16) Junio	8 615.8	650.9	-	-	382.6	-	-	9 649.3	321.6
(17) Julio	11 227.0	749.9	513.8	-	-	-	-	12 490.7	402.3
(18) Agosto	11 731.7	1 038.6	-	-	-	-	-	12 770.3	411.9
(19) Septiembre	12 385.7	337.8	804.1	-	-	-	-	13 527.6	450.9
(20) Octubre	13 020.7	347.2	-	-	235.7	422.9	332.8	14 359.2	463.2
(21) Noviembre	11 981.4	1 028.3	2 412.7	-	-	-	-	15 420.5	514.0
(22) Diciembre	14 229.1	919.7	787.5	-	-	-	-	15 936.3	514.1
(23) Totales	117 959.7	8 046.3	4 941.7	338.7	661.0	422.9	332.8	132 942.6	364.2
(24) Participación porcentual de los países en el total	88.7	6.1	3.7	0.3	0.7	0.3	0.2	100.0	-
(25) Promedio diario	323.2	22.0	13.6	0.9	2.4	1.2	0.9	-	344.2

Los totales pueden no coincidir con las sumas parciales debido al redondeo. (25)  
Fuente: Pemex, Gerencia de Comercio Exterior, febrero de 1979

Key:

- |                    |  |
|--------------------|--|
| 1. Months          | 16. June   |
| 2. United States   | 17. July   |
| 3. Israel          | 18. August   |
| 4. Spain           | 19. September  |
| 5. Puerto Rico     | 20. October  |
| 6. Canada          | 21. November   |
| 7. The Netherlands | 22. December   |
| 8. Japan           | 23. Total  |
| 9. Total           | 24. Daily average  |
| 10. Daily average  | 25. The totals may not coincide with the partial sums because of the rounding off. |
| 11. January        | 26. Source: PEMEX, Foreign Commerce Department, February 1979                      |
| 12. February       |  |
| 13. March          |  |
| 14. April          |  |
| 15. May            |  |

Table 4. Imports of Petroleum and Petrochemical Products, 1970-1978  
(millions of pesos)

(1) Año	(2) Petróleos	(3) Petroquímicos	(4) Total
1970	413.8	129.0	552.8
1971	878.4	163.2	1 041.6
1972	1 282.8	235.1	1 517.9
1973	3 294.6	300.1	3 594.7
1974	4 393.0	880.5	5 273.5
1975	3 475.8	712.2	4 188.0
1976	1 756.6	1 658.5	3 415.7
1977	1 189.0	3 598.7	4 787.7
1978	3 275.6	3 721.6	6 997.2

(5) Fuente: Pemex, memorias de labores, 1970-1978.

Key:

1. Year
2. Petroleum products
3. Petrochemical products
4. Total
5. Source: PEMEX, Work Records, 1970-1978

Table 5. Oil Balance and Participation in the Trade Balance, 1970-1978  
(millions of pesos)

Año	(1) Exportaciones petróleo (1)	(2) Participación en las exportaciones totales (%)	(3) Importaciones petróleo (2)	(4) Participación en las importaciones totales (%)	(5) Saldo (3) - (1) - (2)
1970	504.0	9.1	953.8	1.9	- 449.8
1971	433.3	3.8	1 041.6	3.7	- 608.3
1972	323.7	1.8	1 517.9	4.3	- 1 194.2
1973	448.6	1.7	3 594.7	7.3	- 3 146.1
1974	1 648.2	4.7	5 273.5	7.0	- 3 625.3
1975	3 041.7	10.4	4 188.0	5.1	1 146.3
1976	7 002.8	13.1	3 415.7	3.0	3 587.1
1977	23 431.3	24.8	4 787.7	3.0	18 643.6
1978	40 230.2	31.8	6 997.2	3.0	33 233.0

Nota: Los porcentajes de exportaciones e importaciones se efectuaron en dólares, al tipo de cambio promedio vigente en cada año. (6)  
Fuente: Pemex, memorias de labores, 1970-1978, y Banco de México, Informes anuales, 1970-1978 (7).

Key:

1. Oil exports (1)
2. Participation in total exports (%)
3. Oil imports (2)
4. Participation in total imports (%)
5. Balance (3) = (1) - (2)
6. Note: The percentages of exports and imports were made in dollars, at the average rate of exchange in effect each year.
7. Sources: PEMEX, Work Records, 1970-1978, and Bank of Mexico, Annual Reports, 1970-1978

Table 6. Participation of the Foreign Financing Granted to PEMEX in the Annual Increment in the Public Sector's Foreign Debt, 1970-1978 (millions of dollars)

(1)	Año (2)	Incremento anual de la deuda pública externa (1)	Financiamiento externo concedido a Pemex (2)
		(1)	(2)
	1970	—	67.9
	1971	286.0	215.6
	1972	515.8	361.9
	1973	2 605.8	644.1
	1974	2 904.6	457.1
	1975	4 474.0	1 261.0
	1976	3 151.2	653.2
	1977	3 311.9	1 228.3
	1978	3 352.2	1 858.0

Fuentes: elaborado con base en datos de Pemex, memorias de y Banco de México, informes anuales, 1970-1978.

(4)

Key:

1. Year
2. Annual increment in the foreign public debt (1)
3. Foreign financing granted to PEMEX (2)
4. Sources: Prepared on the basis of data from PEMEX, Work Records, and Bank of Mexico, Annual Reports, 1970-1978

Table 7. Total Foreign Debt of PEMEX and Total Public Debt, 1970-1978  
(millions of dollars)

(1)	Año	(2)	PEMEX (1)	(3)	Sector público (2)	(4)	(1)/(2) (%)
	1970		438.6		4 262.8		10.3
	1971		508.3		4 545.8		11.2
	1972		488.8		5 064.6		9.6
	1973		727.2		7 070.4		10.3
	1974		924.0		9 975.0		9.3
	1975		1 731.7		14 449.0		12.0
	1976		2 221.0		19 680.2		11.3
	1977		3 037.6		22 912.1		13.3
	1978 <sup>a</sup>		4 484.3		26 264.3		17.1

(5) a. Cifras preliminares.

(6) Fuentes: Para Pemex: Secretaría de Programación y Presupuesto, Manual de información económica y social Banco, vols. 1 y 2, núms. 3 y 2, octubre de 1977 y septiembre de 1978, respectivamente, y Pemex, Memoria de labores 1978. Para sector público: Banco de México, informes anuales, 1970-1978.

#### Key

1. Year
2. PEMEX (1)
3. Public sector (2)
4. (1) (2) (%)
5. Preliminary figures
6. Sources: For PEMEX: Secretariat of Programing and Budget, "Manual of Basic Social and Economic Information," Vols 1 and 2, Nos 3 and 2, October 1977 and September 1978, respectively; and PEMEX, Work Records, 1978. For the public sector: Bank of Mexico, Annual Reports, 1970-1978



Table 8. Participation of the PEMEX Foreign Debt Service in the Public Sector's Foreign Debt, 1970-1978 (millions of dollars)

(3) Año	(1) Sector público				(2) PEMEX		(2) (1) %
	(4) Interiores	(5) Amortizaciones	(6) Total (1)	(4) Interiores	(5) Amortizaciones	(7) Total (2)	
1970	229.2	535.9	765.1	24.7	413.0	437.7	57.2
1971	236.8	455.8	692.6	25.6	452.9	478.5	69.2
1972	261.8	504.5	766.3	28.3	330.9	359.2	46.9
1973	378.5	845.3	1 223.8	40.9	371.7	412.6	33.9
1974	588.5	561.0	1 149.5	63.6	260.6	324.2	28.2
1975	850.9	805.6	1 656.5	92.0	259.8	351.8	21.2
1976	1 266.0	1 155.4	2 421.4	113.1	786.9	899.0	37.1
1977	1 542.3	2 295.0	3 837.3	193.0	611.2	804.2	21.0
1978	2 022.9	4 264.3	6 287.2	300.2	807.6	1 107.8	17.6

Fuentes: Para el sector público: Banco de México, balanza de pagos.

Para Pemex: Interiores, 1970-1975, cálculos propios suponiendo 10.8% de los intereses totales pagados por el sector público al exterior; 1976-1978, Pemex, memorias de labores y otras fuentes; Amortizaciones, SPP, *Manual de informaciones económicas y sociales* (México, D.F., vol. I núm. 4, 1978, y Pemex, memorias de labores, 1977 y 1978).

#### Key:

1. Public sector
2. PEMEX
3. Year
4. Interest
5. Amortization
6. Total (1)
7. Total (2)
8. (2) (1) %
9. Sources: For the public sector: Bank of Mexico, Balance of Payments. For PEMEX: "Interest," 1970-1975; our own calculations, assuming 10.8 percent of the total interest paid by the public sector abroad, 1976-1978; PEMEX, Work Records and other sources; "Amortization," SPP [Secretariat of Programming and Budget], "Manual of Basic Social and Economic Information," Vol 1, No 4, 1978; and PEMEX, Work Records, 1977 and 1978

Table 9. Evolution of Exports of Crude Oil, 1977-1982

(1) Año	(2) Promedio (mdb)*	%	(3) Monto anual (millones de barriles)	Precio promedio anual (4) (dolares)	Ingresos (5) (millones de dolares)
1977	202.1	—	73.8	13.30	988.2
1978	365.1	80.7	133.3	13.21	1 760.9
1979	588.0	61.1	214.6	19.71	4 210.4
1980	837.4	42.4	305.6	27.50	8 405.4
1981	966.7	15.4	352.9	30.25	10 674.0
1982	1 071.2	10.8	391.0	31.28	13 021.5

(6) a. Miles de barriles diarios.

Fuentes. 1977 y 1978: histórico, Pemex, memorias de labores.

(7) 1979 a 1982: proyecciones propias basadas en reajustes a la Alternativa de Producción 2-A, Plataforma 1980.

Key:

1. Year
2. Average mdb\*
3. Annual amount (millions of barrels)
4. Average annual price (dollars)
5. Income (millions of dollars)
6. \*Thousands of barrels per day
7. Sources: 1977 and 1978: historical; PEMEX, Work Records. 1979 to 1982: our own projections, based on readjustments to the "2-A Production Alternative, Platform 1980."

[There is no Table 10 in this article]

Table 11. PEMEX: External Financing, 1977-1982 (millions of dollars)

(1) Año	(2) Montos
1977	1 228
1978	1 868
1979	1 617
1980	1 177
1981	358
1982	99
Total	6 147

Fuente: 1977 y 1978, cuadro 6; 1979-1982, Pemex, Subdirección de  
(3) Análisis y Evaluación Financiera, Proyección sesenal  
1977-1982.

Key:

1. Year
2. Amounts
3. Source: 1977 and 1978, Table 6; 1979-1982, PEMEX, Assistant Manager's Office of Financial Analysis and Evaluation, "Six-Year Projection, 1977-1982"

Table 12. PEMEX Foreign Debt Service, 1977-1982 (millions of dollars)

(1) Año	(2) Intereses	(3) Amortizaciones	(4) Total
1977	193.0	611.2	804.2
1978	300.2	807.6	1 107.8
1979	471.6	1 378.9	1 850.5
1980	394.7	1 272.0	1 666.7
1981	396.2	1 188.6	1 584.8
1982	548.2	1 644.7	2 192.9
Total	2 303.9	6 901.0	9 206.5

- (5) a. Tipo de cambio: 1977, 22.58 pesos por dólar; 1978, 22.76, y 1979-1982, 22.80 pesos por dólar.  
- Fuentes: 1977 y 1978, cuadro 9; 1979 y 1980, Presupuesto de Egresos de la Federación y Pemex; 1981 y 1982, Pemex, Flujo de Caja 1977-1978, Alternativa I, México, febrero de 1979, y cálculos propios.
- (6)

Key:

1. Year
2. Interest
3. Amortization
4. Total
5. Rate of exchange: 1977, 22.58 pesos per dollar; 1978, 22.76; and 1979-1982, 22.80 pesos per dollar
6. Sources: 1977 and 1978, Table 9; 1979 and 1980, Budget of Expenditures of the Federation and PEMEX; 1981 and 1982, PEMEX, "Cash Flow, 1977-1978," "I Alternative," Mexico City, February 1979; and our own calculations

Table 11. PEMEX: Imports of Petroleum Products, Petrochemicals and Basic Input, 1977-1982 (millions of dollars)

CUADRO 11

*Pemex: importaciones de productos petroleros, petroquímicos e insumos básicos, 1977-1982 (Millones de dólares)*

(1) Año	(2) Petroleros*	(3) Petroquímicos	(4) Insumos básicos	(5) Total
1977	51.7	156.5	97.4	305.6
1978	144.0	163.6	105.5	413.1
1979	109.4	150.0	131.2	390.6
1980	85.0	110.0	241.2	436.2
1981	70.1	85.0	179.8	334.9
1982	50.5	75.0	193.0	318.5
Total	510.7	740.1	948.1	2 198.9

(6) a. Incluye gas licuado en 1977 y 1978.  
Fuentes: Petroleros: 1977 y 1978, Pemex, memorias de labores; 1979-1982, estimaciones propias basadas parcialmente en (7) Banco Mundial, *Special Study of the Mexican Economy: Major Policy Issues and Prospects, 1977-1982*, diciembre de 1977, p. 86. Petroquímicos: 1977 y 1978, misma fuente; 1979-1982, estimaciones propias. Insumos básicos: Pemex, *Alternativa de Producción 2-A, Plataforma 1980*, con base en el renglón de importaciones de materiales para operación.

Key:

1. Year
2. Petroleum products
3. Petrochemicals
4. Basic input
5. Total
6. Includes liquid gas in 1977 and 1978
7. Sources: Petroleum products: 1977 and 1978, PEMEX, Work Records; 1979-1982, own estimates based partially on the World Bank, "Special Study of the Mexican Economy, Major Policy Issues and Prospects, 1977-1982," December 1977, p. 86. Petrochemicals: 1977 and 1978, same source; 1979-1982, own estimates. Basic Input: PEMEX, "2-A Production Alternative, Platform 1980," based on the category of imports of materials for operation.

Table 14. PEMEX: Imports of Capital Goods, 1977-1982 (millions of dollars)

(1) Año	(2) Valor
1977	560.9
1978	852.2
1979	708.7
1980	517.4
1981	391.4
1982	404.3
Total	3 434.8

Fuente: Pemex, Alternativa 2-A, Plataforma 1980.

(1)

Key:

1. Year
2. Value
3. Source: PEMEX, "2-A Alternative, Platform 1980."

Table 15. PEMEX: Disbursements Abroad for Leasing Services, 1977-1982 (millions of dollars)

(1) Año	(2) Monto
1977	230.3
1978	495.3
1979	429.8
1980	372.8
1981	339.2
1982	241.2
Total	2 009.8

(3) a. De 1979 a 1982, el tipo de cambio usado es de 22.80 pesos por dólar.

Nota: En sus estimaciones sobre importaciones para el periodo 1977-1982 Pemex no desglosa el renglón de servicios. Sin embargo,

(4) go, los intereses y amortizaciones de la deuda externa aparecen por separado, por lo que se deduce que los que aquí presentamos son fundamentalmente egresos de alquiler.

(5) Fuente: Pemex, Alternativa 2-A, Plataforma 1980.

Key:

1. Year
2. Amount
3. From 1979 to 1982, the rate of exchange used is 22.80 pesos per dollar
4. Note: In its estimates on imports for the period 1977-1982, PEMEX does not break down the services category. However, the interest and amortization on the foreign debt appear separately; hence it may be inferred that those which we give here are essentially disbursements for leasing.
5. Source: PEMEX, "2-A Alternative, Platform 1980"

Table 16. PEMEX: Foreign Exchange Disbursements for Royalties on Foreign Technology, Payments to Foreign Technicians and Researchers and Others, 1977-1982 (millions of dollars)

(1) Año	(2) Monto
1977	294
1978	355
1979	370
1980	160
1981	129
1982	100
Total	1 408

(3) Fuente: Con base en cálculos y proyecciones propias deducidas de Pemex, Subdirección de Análisis y Evaluación Financiera, y de *Alternativa de Producción 2-A, Plataforma 1980*.

Key:

1. Year
2. Amount
3. Source: Based on our own calculations and projections inferred from PEMEX, Assistant Manager's Office of Financial Analysis and Evaluation, and "2-A Production Alternative, Platform 1980"

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CSO: 3010



# PLANS FOR NEW POLICE OUTLINED IN PRESS CONFERENCE

Managua BARRICADA in Spanish 20 Sep 70 pp 1,10

[Text] "The Sandinist Revolution was inspired by the anti-imperialist struggle of Sandino, that is why our army calls itself Sandinist and we carry on our uniforms these red and black colors, also carried by our people, who we are prepared to serve in the most faithful manner," said the new commander of the Sandinist National Police Barracks, Commander Rene Vivas, in a press conference held yesterday in the auditorium of the Sandinist Police School.

Present at the press conference were Roger Cabezas, headquarters executive assistant, the officer in charge of the Central Barracks, commanders of department headquarters, Panamanian officials and reporters.

## War on Saloons

The new commander stated that the objective of the Sandinist Police is to eradicate vice, but that nothing can be accomplished overnight. He asked for the cooperation of the Sandinist Defense Committees so that they will be responsible for limiting vice centers. Those who wish to sell liquor will have to comply with a number of requirements, among which are proof that they have paid their taxes, license, police tax and the approval signed by the Sandinista Committee of the block.

Commander Rene Vivas added: "The dispensing of liquor shall be in keeping with an hourly schedule. No saloon may be open after 2200. Prostitution is an evil we are going to abolish. We know that Somoza and his colonels and high military officers were an integral part of everything that is an attack on public morals, but we are not going to be flexible toward any of these vices."

## Vice Centers Without Minors

Commander Vivas let us know that there may be no games of "desmoche" [game unknown] in poolhalls or anywhere, nor may minors be allowed to be in those centers.

### No More "Pusher"

"Narcotics dealers were accustomed to doing whatever they pleased, since they could do as they wanted by simply paying a large fine. Now we are going to be implacable with them, since that is the way we are going to put an end to drug addiction. The drug addict is a social problem and we are going to seek the way to return him to society," said Commander Rene Vivas emphatically.

### No Policeman Will Accept Bribes

Roger Cabezas, executive assistant of the commander's office, said that a policeman who accepts bribes or is "on the take" ["mordidas"] will be punished. The same thing will happen to those who try to suborn our authorities.

### Patrols

Companero Rene Vivas also reported that Managua will be subdivided into 18 zones. Each police substation may have foot or car patrols in its respective zone so as to be on the alert and help the citizens.

8908

CSO: 3010

## DEVELOPMENT OF SANDINIST MILITIA DESCRIBED

Managua BARRICADA in Spanish 22 Sep 79 p 3

[Text] The development of the militia in our country, based on the experience we have all had in battle, involves the participation of the masses in the revolutionary armed struggle. This struggle began with the critical situation existing in early 1978, which became more acute with the murder of Pedro Joaquin Chamorro, giving rise to a growing mass phenomenon in our country in which the masses participated more directly in the confrontation with the dictatorship. At first, the confrontation between the masses and the Somozist National Guard took the form of spontaneous, fairly disorganized incidents. Shock groups armed with stones were formed and would challenge guard units, who initially fired into the air, and then began throwing tear gas grenades, and finally shot to kill.

The use of force between the masses and the Somozist guard escalated, political mobilization of the masses grew, and the masses came to understand more fully the need to organize and arm to face the dictatorship. The September insurrection taught us that we should have had a well-organized militia to take advantage of a situation of insurrection. That is, what happened in September showed us the necessity of organizing the militias, of channeling the political momentum that was developing so that we could confront the dictatorship with an armed people. It was after September that various revolutionary groups seriously proposed organizing militias.

It was necessary to organize and arm the masses, creating the first armed groups, such as the Revolutionary People's Brigades, the Sandinist People's Militia and the People's Action Committees. The similarity is that they all sought to organize the masses and arm them. Their principal role, which they began to play as embryo militia groups, was primarily defensive, the political movement's self-defense. That was the principal purpose of the bodies organized as militia in our country: /self-defense for the masses during political mobilization/ [in boldface].

As the armed struggle was undertaken by more and more people with greater technical and military capabilities, the militia's military effectiveness increased, and its function shifted from self-defense to general armed

resistance; that is, to self-defense for the holding of meetings. The companeros set up a defensive ring around the meeting, turned out the lights, and placed companeros at strategic points with contact grenades and .22 pistols. When a patrol entered, the self-defense group would attack it, enabling those at the meeting to escape, thus avoiding mistreatment by the soldiers. In other instances, more battle-ready groups, with greater military capability, were formed. They began to plan ambushes which were more offensive in nature. That is, 15 to 20 companeros armed with contact grenades would meet, study a patrol's route, and then bombard it with countless grenades, inflicting serious harm. That would be a great victory.

To our people, carrying out an ambush was a military art involving contact grenades. It began with self-defense, later becoming resistance entailing more highly developed military skills; but the masses always took part, the embryonic militia groups always including them. An aspect of this phase was that the militia groups that formed sprang from mass political organizations and revolutionary organizations. Independent groups rarely played a role in this stage of the development of the militia. Most, if not all, of these groups grew out of mass political organizations: AES [expansion unknown], MES [expansion unknown] and youth movements, which functioned according to a certain mass military policy. This insured that participation in these budding militia groups was controlled. Moreover, they had a definite political line and a fundamentally political character.

Very seldom were there problems caused by the presence of backward elements of the masses that had joined these organizations. These were simply the same weaknesses as those found in mass organizations. The principal characteristic of these embryonic militia groups was that they were organized and had a definite political line as the moment of insurrection, the moment of pre-insurrection [as published] approached.

When the insurrection burst forth, the militia groups swelled the ranks of the small body of regulars that had been forming for that moment in Managua. That is, weapons and supplies began to arrive, and the primary source of troops was the militia. For example, the People's Brigades (BP) provided most of the companeros who went off to form military units; the CRP, People's Revolutionary Commandos, moved from the Sandinist People's Militia into tactical combat units; members of the People's Action Committees entered the Sandinist Schools. Then the militia became a reserve force for the embryo Sandinist Army. They began to operate in combination, and we have seen the role played by the militia as a reserve for the regular units. However, these forces were primarily political. There was no room (with exceptions) in them for backward elements of the masses who could negatively affect the militia's participation in the struggle.

[Signed] Organizing Committee of the People's Militia in Managua (COMM)

CUBAN ORGANIZATIONAL, EDUCATIONAL AID CONTINUES

Cuban Labor Vice Minister Visits

Managua BARRICADA in Spanish 23 Sep 79 p 8

[Text] Francisco Penalver Garcia, vice minister of the State Committee for Labor and Social Security of our sister republic of Cuba, is in our country as an additional example of the solidarity with our revolution expressed by the government and the people of Cuba.

BARRICADA approached the companero vice minister in the diplomatic lounge at Augusto Cesar Sandino International Airport, and he told us that he had come at the invitation of Dr Virgilio Godoy, minister of labor, to contribute to the organization of that ministry.

He said that he had brought no work schedule or instructions, but rather would exchange views with the minister and ministry officials to find out their concerns, "regarding which we're prepared to help them and cooperate in any way we can,"

He indicated that he will be here as long as the Ministry of Labor and our revolution require his presence.

The Ministry in Cuba

Speaking of the operation of the Ministry of Labor in Cuba, which is really called the State Committee for Labor and Social Security, Penalver Garcia said that its purpose is to organize the labor and wages of workers.

It is responsible for overseeing the proper functioning of the country's labor resources and workers' social security, which, for the State Committee for Labor, embraces old age, disability and death benefits. It also includes protection of workers with respect to job-related accidents and sickness, assuring them a home and income when they are incapacitated by accident or illness.

The state committee is also responsible for establishing official standards for the prevention of accidents and disease.

#### Wages

Concerning Cuban workers' wages, the state committee is charged with the development of a single wage scale for all workers in the country.

#### Relationship with Workers

As for the state committee's relationship with the workers, Penalver said that the workers participate fully in the drafting of regulations and standards through their unions. In short, the state organ's relations with the Cuban workers are extremely warm and fraternal.

#### More Cuban Teachers Coming

Managua BARRICADA in Spanish 23 Sep 79 p 8

[Text] Around the middle of October, Cuban teachers are coming to work in the most remote corners of our country as a further contribution to our revolution from the Cuban people.

A committee has been formed in the Vice Ministry of Educational Planning and Policy to determine the best use of the companero Cuban teachers. Moreover, the committee has issued an appeal for communities able to provide food and lodging to communicate as soon as possible with their departmental governments.

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CSO: 3010



FORMAL CHARGES BROUGHT AGAINST ALLEGED CHAMORRO SLAYERS

Managua BARRICADA in Spanish 14 Sep 79 p 9

[Text] The family of Dr Pedro Joaquín Chamorro Cardenal, murdered 10 January by the sinister forces which were protected by Somozismo, will make a formal charge against the persons who may be involved in the crime. The relatives of the political martyr never trusted in Somozist justice and that is why only now, with the justice of liberation, they have decided to make the charges, since there will be no evasions or coverups.

Dr Victor Manuel Ordonez, First District Criminal Judge, told BARRICADA that he is working very closely with the Ministry of Interior and is prepared to pursue this case to the end. As the first step, he nullified a large part of the proceedings, which were filled with legal wrongdoings, very characteristic of Somozism.

Among the abnormalities, it was found that there was no knowledge of the result of the extradition request for Cuban worm Pedro Ramos, one of those implicated in the crime, which affects the trial. If the gringos [as published] agree to send him here, the status of the criminal will change from absent to present, and if the result is negative, the gringos should promise to bring the accused to trial.

Those Involved Had Been Released

Several of those involved in the crime had been released by the Somozist guard in their flight, and some had even been armed so that they could fight against the Sandinista National Liberation Front [FSLN].

Now under arrest are Silvio Jose Pena Rivas, Juan Ramon Acevedo, Domingo Acevedo Chavarria and Harold Cedeno.

Among those absent are Silvio Vega Zuniga, Pablo Jose Nunez, Humberto Martinez, "Concho" and Susana Martinez. All of them will be subpoenaed by decree, according to information provided by Judge Ordonez.

Elsewhere, it has been learned that several tips on the whereabouts of the accused have already been received at the office established by the Ministry of Interior for receiving information on the case of Dr Chamorro, and steps will be taken to find and capture them.

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CSO: 3010

# LARGE PERCENT OF LAND CONTROLLED BY STATE, OFFICIAL SAYS

Managua BARRICADA in Spanish 21 Sep 79 pp 6, 10

[Text] According to companero Roberto Gutierrez (head of the INRA [National Agrarian Reform Institute] Technical Training School), 40 percent of the arable land is controlled by the National Reconstruction Government. All of this land was held by Somoza and his gang of thieves, which gives an idea of how much territory they had at their disposal.

Companero Gutierrez attended the seminar on agricultural education being held in the auditorium of the Ruben Dario campus of the university. He explained the conceptualization of agrarian reform in Nicaragua.

The fact that 40 percent of the arable land is in the hands of the people as collective property indicates the degree of economic development Nicaragua will achieve within a short time, for the workers will take a greater interest in making the land produce.

Since the beginning, our people's natural resources, particularly the land, have been taken from them, first by the colonialists and then by the imperialists. That 40 percent is now collective property, belonging to the people.

The Nicaraguan Agrarian Reform Institute is committed to making this land produce for the collective good, for the good of Nicaragua, to satisfy domestic needs first and then to export the rest. Those involved in the dictatorship thought only of possessing more and more land; and it seemed as if they were competing with each other in stealing more and more from our people.

## Four Types Put into Practice [as published]

Companero Gutierrez said that possession of land by the state and the peasants makes it possible to plan and to rotate crops as well as to improve means of production. He stated that agrarian reform is not abstract, but actually represents a level of development of a country's productive forces.

He said that agrarian reform has been tainted by some views maintained by the ruling classes. Concerning this, we recall when, at Punta del Este, the imperialists called upon Latin American governments to institute agrarian reform; that is, those who had stolen the land, who had despoiled the peasants of those lands. During that same period, they called upon the oligarchies to practice social justice. The U.S. monopolies and imperialist Yankee government were scandalized by the recent triumph of the Cuban Revolution. However, that exhortation to carry out agrarian reform actually represented a more sophisticated method of despoiling the peasants of their lands, which Somoza and his gang did very well in Nicaragua.

Because of the Sandinist Revolution, agrarian reform is really taking place, and the farms kept idle by those who swallowed up land are being made to produce. Gutierrez stated that our agrarian reform should not be governed by any imported system, but should be consistent with our historical development.

Gutierrez spoke of the class structure that exists in rural areas, and he said that agrarian reform is one of the basic motive forces behind the major fundamental projects undertaken by the Sandinist Revolution in Nicaragua.

#### Export Model

Gutierrez declared that our agricultural production is based on an "agrarian export model" which is highly technological, especially in the areas of cotton, coffee, sugar, livestock, and so forth. He stated that this is a system of production for exportation, not for the satisfaction of domestic needs; this is one of the problems the Sandinist Revolution is trying to overcome.

It is necessary to think first, he said, of satisfying domestic consumption. He noted that the agrarian export model also causes workers' income to be low and that this is another problem to overcome. He conceded that, of course, the foreign exchange produced by exports is needed, but he said that it is necessary to consider basic domestic needs first. Comrade Gutierrez indicated that small farms and even smaller parcels are not suitable for planned production, considering that it is best that farm workers labor cooperatively to make the land produce and that many families cultivate large expanses of land.

Gutierrez pointed out that the labor force is over-exploited in relation to the way the land is used; that is, through the agrarian export system, which operates all year while the peasant works only seasonally, spending considerable time producing nothing, doing no work and, consequently, earning no money. He described the low wages, the miserable housing, the overcrowding, the lack of hygiene, etc., experienced by farm workers.

The INRA is seeking a solution to this problem.

wages and provide more humanitarian treatment. He explained that the INRA is not ruling out other forms of property, for it is working at all levels; but he pointed out that with social property it is possible to redistribute surplus agricultural products. He said it is preferable that agricultural products be used by the workers rather than kept by a single person as private property derived from production.

Gutierrez spoke of the location of the land in relation to roads and of existing development on state farms. He said that for the new type of production, the state will develop the infrastructure, build rural hospitals and schools as well as centers for the training of agricultural and technical administrators to manage farms.

He stressed that state control of property makes planning of production possible, which makes planned economic progress possible. He noted that the state is not going to use resources so that people can indulge themselves.

Concerning this, he said that production (exploitation of the workers and peasants) carried out during the Somoza era enabled Somoza and his gang to spend money on luxury goods, public relations and expensive cars, to have accounts in local and foreign banks, and so forth. They also speculated. Gutierrez indicated that we now have to shift from the extensive exploitation practiced by the Somozists to intensive exploitation of the land, which requires (he noted) a major capital investment.

#### Full-Time Employment

He said that the expropriated farms are "social property, the people's property, and now there are no bosses exploiting the workers."

Gutierrez pointed out that commonly held property is much better than the single parcel, "For the individual farmer works alone and isn't as successful as groups are." He stated that the peasants' cooperatives hold meetings and elect representatives, which would not happen under the dictatorship, for they used to order them to inform on guerrillas or risk death.

Gutierrez said that the INRA is seeking a solution to a crucial Nicaraguan problem: unemployment. He reiterated others' statements that rural unemployment is massive; for this was the type of system run by Somoza and his gang. There were no jobs because the farms were unproductive and because the peasants had been robbed of their lands.

Now, under the new system of production, an effort is being made to end unemployment, although Gutierrez stated clearly that "this problem will not be solved in a few days." He said all the land must be worked, even, if possible, with irrigation during the summer so that there will be jobs for our companeros in the country.

## Counterinsurgency the Objective

Companero Gutierrez said that there never was agrarian reform in Nicaragua, that what the Somozists did was institute projects settling people on farms with the obvious purpose of combating insurgency, to prevent the peasants from helping the Sandinist guerrillas. The Somozists also did it because of the conflicts between landowners and landless peasants, who were threatening to invade large holdings.

He stated that the farm settlements run by the Agrarian Institute were unhealthy, overcrowded, provided miserable housing, exposed workers to severe exploitation, had inadequate schools, lacked the basic services needed in daily life, and so forth. Gutierrez called it "complete pauperization."

## The Peasant Masses Want Agrarian Reform

He declared that the agrarian reform undertaken by the INRA is one of the peasant masses' primary wishes. To achieve this, he noted, they have 40 percent of the productive land in the country, which was obtained by confiscation. He termed this "the capital" in hand for agrarian reform. "These lands are now the property of the people. We think this will now become social property, the people's property."

## INRA Production Units

Companero Gutierrez explained that production units are being set to work, among them AGROINRA, which he described in this manner: These are large farms or large agricultural enterprises belonging to Somoza. A great deal of money was invested in them, and they had centralized administrations.

He said that properties in this category are those that belonged to Somoza, such as sugar, rice and tobacco operations and cattle ranches, and so forth. Other properties are state farms, which were not run by centralized administrations. Then there are the enterprises run by groups, a form of collective exploitation of the land. These enterprises have been turned over to members of cooperatives, to the members of communes, to use. They are called "Sandinist agricultural communes," "collective production units."

## PRO-CAMPO

Finally, there is PRO-CAMPO, which refers to the agricultural settlements operated by the IAN [Nicaraguan Agrarian Institute]. This ran on "financing" from INVIERNO. Companero Gutierrez stated that these peasants are being integrated into agrarian reform projects involving service cooperatives, which are receiving technical assistance and training so that workers will become skilled.

He said that the INRA is not only providing financing, but is also seeking to improve hygiene and living conditions. It is attempting to increase



He spoke of the Atlantic coast, where there are scarcely 1.2 inhabitants per square kilometer. Thus, most of the land is idle, which shows that a way of working this land must be found.

Here we recall the imperialists' proposals to limit births, for no more can be produced, according to the thieves who have stolen our natural resources in Latin America. However, the lands are empty and uncultivated in many areas, or they were destroyed by the Somozists in Nicaragua's case.

Companero Gutierrez told us yesterday that the peasants must be taught to build their own houses, using materials from their area, not with imported materials.

He said that the natural course of agricultural development will probably lead to problems of labor scarcity in a few years; that is, the opposite of the present unemployment situation.

#### Elimination of Middlemen

Companero Gutierrez declared that the other goal is to eliminate the middlemen, who have also been involved in the exploitation of the peasants. That is, the state will now assume control of marketing, for example. The state will also control the supplies needed for agricultural production.

#### Agrarian Reform Is a Political Issue

He said that the issue of agrarian reform is not only economic and social, but also political, and that it is the workers who will really make it succeed. He indicated that the Farm Workers' Association is playing a very important role in the carrying out of agrarian reform. Agrarian reform, he stated, must have a popular, Sandinist content. He said that the point is to bring full development to rural areas, eliminating man's exploitation of man and insuring that no groups control what the peasants produce.

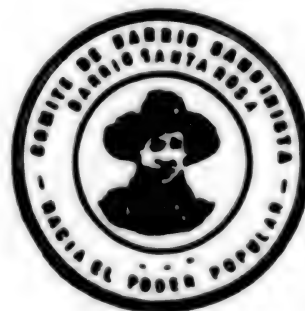
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ENC: 1010

OFFICIAL SEALS OF FSLN COMMISSION, CDS ISSUED

Managua BARRICADA in Spanish 19 Sep 79 p 3

[Text] The FSLN [Sandinista National Liberation Front] National Popular Organization Commission of Managua, which serves and advises the Sandinist Defense Committees [CDS] of this department, advises the citizens of the creation of new seals for this agency as well as for the CDS of Managua.



Take a Good Look At These Seals!

The seal of the Popular Organization Commission carries the initials of the Sandinist National Liberation Front (FSLN) in the center, and that of the CDS carries the likeness of the General of Free Men, Augusto Cesar Sandino, and the name of the district to which the CDS belongs, these seals being the only ones recognized by the FSLN National Popular Organization Commission and the only ones authorized to be considered valid in the state agencies and institutions and independent bodies.

Other seals which may appear, and which are not the ones published here, are not valid.

# ORGANIZATION OF CDS ASSIGNED PRIORITY BY COP

Managua BARRICADA in Spanish 24 Sep 79 p 4

[Text] The Popular Organization Commission (COP) is facing an arduous organizational work with the Zone Councils of Managua and its municipalities. One of the basic tasks the COP has accomplished is the supervision of organizational work performed by the Sandinist Defense Committees [CDS], square by square, block by block and at the district level.

Working in this manner, with the revolutionary discipline demanded by the revolution, the creation of the Zone Councils, which are made up of one representative from each district of the sector, has been accomplished.

There are five Zone Councils in Managua now and work is now going on to create the councils of the municipalities of the capital.

Later on, the Municipal Council of Managua and the Departmental Council will be created. The CDS of all the districts of all the sectors will be represented in both of them.

The work of organization of the municipalities of the capital is a task which requires much dedication because it must be considered that there are approximately 200,000 inhabitants in the municipalities of Managua, and the long distances and lack of resources makes the work difficult.

Nevertheless, work is going on with the means permitted by circumstances.

## The Zone Councils

The Zone Councils meet weekly with officials in charge of the COP to receive general work guidelines and to explain the basic needs of each sector. Subjects having to do with the development of the Sandinist Revolution are also discussed and in-depth studies are made of the political, social and economic aspects of the country.

Until today, the COP was responsible for the creation of the Municipal and Departmental Councils, however, to speed up their creation, an Organization Committee will be created.

This committee will consist of a representative from each of the Zone Councils and a member of the Propaganda Commission of our vanguard, the Sandinist National Liberation Front [FSLN].

A Propaganda Committee with the same structure will be formed for orienting the organizational policy of the CDS.

A series of talks, which will begin next Sunday in the Central American University [UCA], have already been prepared on this subject. They will be attended by the representatives of each district of the Zone Councils, who in turn should present the proposals made there to their respective District Committees and CDS.

The first of these talks will deal with the experience undergone by the Cuban brothers in their Committees for the Defense of the Revolution (CDR).

The second talk will be on the tasks of organization of the masses, workers, women, students, peasants, and so forth. The third talk will explain the role of the CDS in the revolution, and the last lecture will be on organizational techniques, experience and practice, control of organization and other aspects.

The district officials will be taught propaganda techniques, how to organize seminars, how to make posters, and so forth.

With respect to propaganda, in order to provide greater orientation to the Sandinist population organized in the CDS, a radio program has been prepared, which will be transmitted by RADIO SANDINO every Wednesday for 20 minutes. A 15-minute television program will also be broadcast beginning Monday, the 24th.

The COP has suggested that the radio program should be listened to by all CDS members together and that the proposals broadcast should be discussed subsequently.

The first television program will be attended by all the district representatives and they will explain the way in which the CDS have been organized. Companera Monica Baltodano of the Mass Organization Secretariat, will also speak.

A campaign for checking on Somoziism to determine who the counterrevolutionary elements of each sector are, will also be initiated.

8908

CSO: 3010

IDEAL SANDINIST DESCRIBED BY TWO FSLN HEROES

Managua BARRICADA in Spanish 15 Sep 79 p 12

[Text] According to Oscar Turcios

1. A Sandinist has revolutionary discipline, which is freely accepted, which is based on his conscience and is essentially maintained by methods of personal education and incessant persuasion. He knows that this discipline is severe and that he is obliged to accept it strictly and that he cannot violate it.
2. A Sandinist knows that our organization has to have a centralized command and has to be based on severe discipline. Precisely because of that, he knows that absolute obedience to orders and the strict maintenance of discipline are the foundations for victory.
3. The Sandinist never looks back, but forward. He thinks and acts with a strategic mentality: to go from little to much, from the simple to the complex, from the small to the large, and from the private to the collective.
4. A Sandinist knows how to value and respect his companeros and tries to help them carefully in their training.
5. The Sandinist knows how to think with his own mind, adopting a creative and revolutionary spirit toward multiple problems. He is capable of orienting himself through his own initiative.
6. The Sandinist is faithful to the cause of the people and not to that of individuals. He fully identifies with the cause and not with "friendships," adulation, and servility.
7. A Sandinist must maintain an intransigent revolutionary spirit and must act with daring (not adventurism) and great flexibility (not opportunism).
8. The Sandinist never hides his errors. He educates himself on the basis of the experience of his own errors.

9. The Sandinist shows the justice of his ideas in the difficult battle and the struggle of masses.

10. With his work the Sandinist knows how to merge absolute fidelity to principles (this must not be confused with sectarianism) with the maximum adhesion to the masses (this must not be confused with the role of a mindless follower).

11. It is important that the Sandinist forge an iron discipline as a result of ideological cohesion, clarity of objectives, unity of wills and an aware action toward present and future tasks.

12. The Sandinist is a true leader of masses in each sector where he is active. He takes to the masses the political line of the organization; he unites the masses through their mobilization for combat; he orients their interests and concerns himself with them.

13. The Sandinist, a fighter of the people, is characterized by his analytical capability and for indicating the proper path to take for attaining the seizure of power by the exploited.

According to Ricardo Morales Aviles

1. The Sandinist knows that what we will leave behind us will be the result of great and/or small things we do in our life. The important thing is that no matter how small things are, we do them as if they were great.

2. The revolutionary knows that the question is not simply that of having been born in this world, but rather that of becoming aware of the meaning of outrage and class exploitation.

3. Praise those who were born naked on this earth and praise those of us who became as naked as they. Praise for us who in body and idea are united. Because only we are firmly established on the earth and we make history.

4. Through the proletarian revolution man will be able to forge his own destiny [passage apparently missing] as a year of nature and society.

5. Undoubtedly there is a revolutionary art joined to revolutionary struggle and construction, which unites and educates the people, which combines revolutionary realism with revolutionary romanticism.

6. The Sandinist as an individual knows that we have more than one effort to contribute to the revolution if we have enough determination and courage.

7. The Sandinist does not accept the substitution of objective, intelligent and impassioned criticism by the easy way out of moralizing insult or deprecating adjective. He must point out and denounce effective realities and draw the conclusions and consequences which must be drawn. Objective criticism is not at odds with revolutionary emotion, a rational attitude on events must precede discussions.



8. The relationship between the different political practices of the combatants and their unit in our Revolutionary Organization is found in the revolutionary awareness which unites them and keeps them united and which is nothing more than the expression of the class interests of the proletariat and the theoretical projection of the existing class struggle.
9. The Sandinist must seek in our country, in our history, in our struggles, in our cultural heritage, the vitality which will bring him closer to the people. The Sandinist must seek his own identity in the people, in the popular masses, who are the ones who make history.
10. The historic images of Sandino and Che are the required hallmark for the creation of a revolutionary fighter.
11. The Sandinist is aware of the revolutionary struggle as a process and as a specific situation, with vision, emotion and scientific attitude.
12. The Sandinist, with his activity, with his sharp words, filling and refilling them with emotion, taking advantage of situations, teaching how to destroy tanks, is nearer to being a man than anybody.
13. A Sandinist is he who knows the joy of making the sacred soil of the country fruitful with his blood.
14. The Sandinist has hands for working with the peasants, he has big eyes for seeing into infinity, his heart prepared for becoming a martyr.

8908

CSO: 3010

HEADQUARTERS OPENING SEEN AS 'QUALITATIVE LEAP' FOR LABOR

Managua BARRICADA in Spanish 18 Sep 79 pp 1,8

[Text] "The inauguration of the Jose Benito Escobar Sandinist Workers Central House is an unprecedented advance. For the Nicaraguan workers it means another step within the process of total unification of wage-earners for obtaining the strategic unity of the working class as a fundamental need for attaining the development and consolidation of the Sandinist Popular Revolution." That is the way Companeros Pedro Ortiz and Napoleon Loasiga, members of the Coordinating Commission of the Sandinist Workers Central Organization, expressed it.

The Companeros added that it is an event that guarantees the widespread participation of the working class, a palpable demonstration that the working class has obtained, has won political freedom, and that at this time it is increasing its degree of organizing and creating its class awareness."

For the workers, the Jose Benito Escobar Sandinist Workers Central House is a center open on all four sides so that the working class can share in the self-management of its own development as the vanguard class of our revolution.

"In the advance of the construction of the state directed by the workers in alliance with the peasants in this transition phase, the inauguration of the Sandinist Workers Central House is a qualitative leap in such a manner that all the support, all the contribution, which the most advanced sectors of the workers are giving to the National Reconstruction Government and all those tactical and strategic projects of our Revolution, have a clear revolutionary content where all our contribution is for establishing the foundations for the New Nicaragua, and not as the enemies of the revolution are attempting to make it appear that the leaders of our revolution in the various positions of the state represent management," they concluded.

8908

CSO: 3010

POLITICAL ORIENTATION COURSES ANNOUNCED AT UNAN

Managua BARRICADA in Spanish 14 Sep 79 p 4

[Text] The National Autonomous University of Nicaragua (UNAN) will open its academic year with a number of political orientation activities involving the university community, which is clear evidence that it is moving in step with our national reconstruction process.

Julian Corrales Munquia, administrative vice president of the UNAN, provided this important information to BARRICADA yesterday afternoon in his office.

The program, which irrevocably breaks down the barriers that existed between Somoza's police state and the university, will be offered from 17 September to 8 October, coinciding with the celebration of our national holiday, which was distorted under the previous regime.

Corrales Munquia told this writer that the university's schools would organize "activities of a general nature" in addition to those involving political orientation.

The programs will include political orientation seminars, discussions of degree programs in different fields and explanations of course structure and methodology to be followed this semester, which Corrales described as an "emergency" semester.

Vice President Corrales said that these emergency semesters, the first two, will be "special," for the second will begin as soon as the first ends.

He also indicated that during these "emergency" semesters, "continual, immediate evaluation is planned." He said that now students' work will be evaluated "immediately," and not as in the past.

Corrales also stated that in this way course grades depended on examinations taken at the end of the semester, which caused problems for students.

However, he noted, this does not mean that there will no longer be midterm examinations. On the contrary, testing will be more rigorous as a part of a "continual process" involving the student's active participation.

The professor will take into account the grades earned throughout the semester and the student's class participation, which eliminates the "squeeze"--as students used to call it--and the traditional end-of-course examination.

Our informant also told us that there will be lectures, discussions, short courses and meetings for political and university (academic) orientation at our university.

An important aspect of the "emergency" semester is that every student who registered at the university has to take part in these activities or he will not be allowed to enroll in courses.

Corrales made it clear to BARRICADA that enrollment in courses will take place from 26 September to 2 October.

He indicated that this would be the final enrollment and thus urged students to be prepared for the new academic year; for our revolution's slogan is also /work and study/ [in boldface]!

The vice president said that the short courses, the discussions and the political orientations will be "similar" to regular courses.

Another primary feature of the "emergency" semester is that tasks will be carried out within the framework of the program of national reconstruction.

Paraphrasing the slogan /the fatherland . . . the revolution/ [in boldface], today our university community will cry /the fatherland . . . the university/ [in boldface]!

On 18 September, the beginning of the "emergency" semester, our university will officially open the school year in honor of our unforgettable martyrs Juan Jose Quezada, Oscar Turcios, Jonathan Gonzalez and Ricardo Morales Aviles, who fell at Nandaimé.

Corrales also stated that our national holiday will be marked by meetings and by cultural and political activities.

0095

SO: 3010

EDUCATIONAL LEVEL TESTING CRITERIA SET FORTH BY MINISTRY

Managua BARRICADA in Spanish 15 Sep 79 p 10

[Ministry of Education Note to Schoolteachers]

[Text] What is the Educational Status of Our Students?

Fellow teachers: In order to continue the systematic school activities interrupted by the insurrection, we believe it necessary to make an evaluation for obtaining meaningful indexes on the educational status of the student between February and September, both months inclusive.

This information will allow us to decide upon a diagnosis on the educational condition of the student and orient the new revolutionary educational process.

We are going to consider all those experiences of students, which have not been previously programed, as informal, and the educational experience programed and oriented by the school in the development of the various areas of study (mathematics, National Language, Social Sciences, Languages and so forth), as formal.

We allow ourselves to reiterate that it is not a matter of qualifying or giving grades but rather a matter of us making a diagnosis of the educational status of our students so that we may orient the teaching-learning process with as much effectiveness as possible within the framework of the new liberating and revolutionary educational philosophy. We shall make this evaluation during the period from 17 to 21 September, both dates inclusive.

We suggest that these activities of evaluation be scheduled by the teachers, taking into consideration the nature of the students, resources of the school and the community.

Objective

What are going to be the objectives of our evaluation? We propose the following objectives to you:

1. Obtain information through the application of various evaluation techniques on the knowledge acquired by the students in the various areas of study (Physical Education, Languages, Spanish, Natural Sciences, Social Sciences, Mathematics, and so forth), during the period from February to September, both months inclusive, and the expansion of that knowledge as a result of overall education received in an informal manner.
2. Find out in what manner the academic knowledge acquired by the students in school was useful to them in resolving the different situations they encountered during the period of war.
3. Discover the degree of maturity and sociopolitical awareness obtained (solidarity, leadership, conviction and so forth) by the students during the pre-war and war periods--the period between February and September--so that the teacher may take advantage of these values to provide a new point of reference for the revolutionary educational process.
4. Discover the range of experiences (in the field of nourishment, defense, health, housing and so forth) acquired by the students as a result of problems faced and solved in the period of June and July.

#### Criteria and Techniques of Evaluation

In order to make the evaluation, which will cover the formal and nonformal aspects, we suggest that some criteria which we shall describe, be used.

With respect to formal academic experience:

1. We shall give oral and/or written tests based on the subjects we may have studied during the period between February and May inclusive, making a national distribution of them.
2. The results of these tests shall serve us so that we may then orient the continuation of learning activities relating to each area, in their respective school year, on the basis of the new educational guidelines.
3. The tests shall also allow us to detect to what degree the students applied the knowledge acquired in class in resolving the problems which faced them during the state of war.

With respect to the informal experience, we shall address the following areas with the tests:

1. Sentiment: solidarity, discipline, cooperation, respect, responsibility, revolutionary spirit, and so forth.
2. In the practical area we shall consider this:



a. Participation as a militia fighter; member of a student and/or district organization (function performed); instructor; spectator, others.

b. Resources used by the student in resolving problems of health, nourishment, transportation, housing, and so forth, during the war period.

To apply these criterions, we can use the following techniques and evaluation instruments:

1. Objective Tests. In these types of tests we include:

a. Multiple choice.

b. Pairing.

c. True-false.

d. Completion.

e. Arranging in order.

f. Classification and so forth.

With objective tests, we shall evaluate the behavior of students during the development of the academic process and the behavior attained as the direct result of the process of liberation of our country.

2. Subjective Tests: In this type of tests we include:

a. Group activity (dramatization, panel, forum, symposium, group work and so forth) allows us to observe the degree of solidarity, discipline, respect, responsibility, leadership, organizational capability, revolutionary spirit, and so forth, attained by our students during the war and post war period.

For that type of activity we suggest the following subjects, which may be enriched by your imagination:

--The discipline of the Sandinist Compañero.

--Love in the Sandinist guerrilla.

--Sandinist justice.

--My opinion on the peasant invasion of the large estates.

--How my community is participating in reconstruction.

--How the problems of refugees were resolved in my community.

b. Research work will reveal to us the capacity for analysis, summarization and organization, presentation, writing and handling of vocabulary.

The youngsters may carry out research on the following subjects:

--Guerrilla slang.

--Types of barricades.

--Transformation of the CDC [Committees for the Defense of the Revolution] into CDS [Sandinist Defense Committees].

--Who are the new authorities of my community and what are their plans? (you may expand the foregoing list).

c. In essays we shall grade the originality, application of techniques, knowledge of the subject, method of research and so forth.

We suggest the following as essay subjects:

--Democratic ideas in the political thinking of Sandino.

--Nationalism in the ideology of Sandino.

--Future society conceived in the thinking Sandino.

--Influence of the school in the revolutionary process.

d. Use questionnaires whose questions should lead to specific answers, preventing any ambiguities.

We can use this criteria to explore attitudes, preferences, interests, values, and so forth.

On the Subject of Security for the Purposes of Evaluation

In the part concerning "Subjective Tests," we have suggested subjects for essays, group and research activities for the purposes of evaluation.

We suggest other subjects, which may be enriched by your inventiveness: These subjects are suggested for the students of the communities which participated directly in the insurrectional process, as well as for those who did not participate.

1. Stories

1.1. My experiences in the guerrilla and/or combat.

1.2. Diary of a combatant.

1.3. Guerrilla adventures in the mountains and/or city.

1.4. My participation in the CDS.

1.5. My thinking about the Sandinist revolution.

1.6. Participation by youth in the liberation of Nicaragua, of my country.

## 2. On Theater

2.1. Dramatize episodes or scenes from the Sandinist insurrection.

2.2. Dramatize or present the election of the Local Government Junta, of the CDS, Sandinist Workers Central Organization, Rural Workers Central Organization, and so forth.

2.3. Act out press interviews in which those interviewed are: figures of the overthrown government, members of the National Reconstruction Government Junta and/or Local Government, a national guardsman, a guerrilla, a member of any organization, and so forth.

## 3. On Painting, Music and Poetry

3.1. Compose lyrics and music on revolutionary subjects.

3.2. Show episodes of the insurrection in murals: the taking of the National Palace, today the Palace of the Revolution.

3.3. Organize poetry and song festivals on the Revolution.

3.4. Murals on the war.

## 4. Essays and Reports

4.1. How armed struggle affected my community.

4.2. How the problems of transportation, food, health and housing were resolved in my community.

4.3. Causes for which we held strikes, protests, demonstrations and so forth, in my school.

In conclusion, in order to continue our systematic school activities, we need to diagnose the educational status of our students through objective and subjective tests. We shall evaluate the educational experiences of the students during the period from February to September, both months inclusive. The results we obtain from our evaluation will allow us to orient the new revolutionary educational process. Ministry of Education, 13 September 1979.

NICARAGUA

LAW DESCRIBES SOLE UNIFORM TO BE WORN BY ALL SCHOOLCHILDREN

Managua BARRICADA in Spanish 19 Sep 79 p 3

[Text] National Reconstruction Government

Law on a Single School Uniform

Decree No. [No number given]

The National Reconstruction Government Junta of the Republic of Nicaragua

Whereas:

1. Revolutionary spirit should be manifested in all aspects of our collective life, particularly when it is a matter of the new generations, who must be formed with a new social and democratic awareness.
2. The educational system of our country being a single system, no distinctions should be made among students or institutions, whether they be state or private.

Therefore, they decree:

Article 1. A single school uniform for all students of the educational institutions of the country, public or private, from the first grade of primary school to the last year of diversified studies, is established.

Article 2. All students of the country shall be obliged to use the same type and quality of uniform with the following general characteristics:

A. For Males:

Long, dark blue trousers, white short-sleeved shirt and black shoes.

B. For Females:

Dark blue skirt or slacks, white short-sleeved blouse and black shoes.

Article 3. Each educational institution will establish an insignia which may be placed on the pocket of the shirt or blouse. Any addition or other insignia on the school uniform is forbidden.

Article 4. Technical education institutions may establish the use of proper wear for work in the field, shops and similar places.

Article 5. The Ministry of Education may regulate the provisions of this law.

Article 6. Temporary provision: The provisions of the present law shall be applied progressively, beginning with the present school year so that it may be in effect strictly throughout the country in the 1980 school year.

Article 7. The present degree will become effective today as of the moment of its publication by any of the mass media, regardless of its subsequent publication in the gazette DIARIO OFICIAL.

Issued in the city of Managua on the 18th day of September 1979. Year of National Liberation.

National Reconstruction Government Junta

Violeta B. De Chamorro, Sergio Ramirez Mercado, Moises Hassan, Alfonso Robelo Callejas, Daniel Ortega Saavedra.

8908

CSO: 3010

## NICARAGUA

### POPULAR CELEBRITIES JOIN SOLIDARITY COMMITTEE

Managua BARRICADA in Spanish 18 Sep 79 p 12

[Text] A Committee of Solidarity with Nicaragua consisting of prominent world political and artistic figures is now being organized. Among them we can name Hortensia Pussí de Allende, Alejo Carpentier, Shirley McLaine, Martha Graham, James Taylor, James Brown, Butero, Sofia Loren, Jean Paul Sartre and Gabriel García Marquez, it was reported to BARRICADA by Blanca Perez Macías.

Blanca is just one more Nicaraguan ready to give her contribution to the Sandinist Popular Revolution. When interviewed at the Plaza de la Revolución, she showed her surprise at the massive participation by the people.

"Even the language has changed. Before, it seemed to me that some of the people were resigned to having the Somozas, but later they showed the opposite when they fought for their freedom. Because of the condition of poverty and illiteracy in Nicaragua, freedom seemed an unattainable temptation, but today, as Commander Tomas Borge says, it ceased to be a temptation," said Blanca, who in addition to being known on an international plane is a graduate in Political Science.

"Today our people know that they have a homeland and they are ready to contribute for a change in that homeland. Each person knows that he has contributed and participated to changing the future. The Revolution has also allowed an upgrading of the status of women; their participation hand and hand with the men in the armed struggle gave them that right," she said.

She said that the International Committee of Solidarity with the Nicaraguan Revolution will be coordinated by Chancellor Bruno Kreisky of Austria and that it will have as its first objective the collection of surgical materials for Children's Hospital.

As will be recalled, after the earthquake, Blanca along with several artists, carried out activities to collect funds for the benefit of our victims.



On that occasion there was a polemic with Somozism, to whom she never wanted to deliver the money. "Now we trust the National Reconstruction Government and we believe they are honest people," she said.

Blanca believes that "Help for Nicaragua should be collective and unconditional. This struggle was not only against the oppressor but also for achieving self-determination, because each country should be the master of its own destiny and no one has the right to deny that to it."

She expressed her sympathy for the true agrarian reform being accomplished in Nicaragua, something she considered indispensable for a profound change in our country. Blanca knows perfectly well what their freedom has cost our people because she was with the Red Cross during the fighting, carrying food to the prisoners of Somozism.

She told us that the British press supported our revolution. It arrived in Nicaragua two days after the death of Stuart, the ABC newsman, and the Somozista government, through Luis Pallais, tried to convince it that the people did not support the FSLN [Sandinista National Liberation Front].

Up to now she has met with Minister of Health Dr Cesar Amador Kuhl, Miguel D'Escoto and Ernesto Cardenal. About our Sandinist Popular Revolution, she said that she considers it unique and that it is ridiculous to make comparisons.

She explained that her identification with the struggle of the Nicaraguan people did not come about because of the victory and that she always shared it by making denunciations, however, the great press never wanted to tell the truth about Nicaragua and always kept a curtain over the political truth of Nicaragua.

"The revolution in Nicaragua is generous. 'Implacable in combat and generous in victory,' those are the words of Carlos Fonseca Amador, which the leaders repeat tirelessly," said Blanca, "We follow no one, we follow Sandino, who a long time ago said 'A Free Fatherland or Death,' fighting against North American oppression."

Finally, she said: "It is very pleasing to me as a Nicaraguan to see how this revolution comes to eradicate the false scale of values which Somozism had implanted, and to destroy the complex which existed that everything foreign was better. Today it is different. We have a free fatherland."

8908

CSO: 3010

NICARAGUA

BRIEFS

SANDINIST LAWYERS UNION FOUNDED--Granada--Next Friday reputable lawyers in Granada Department will meet for the first time to found the Union of Sandinist Lawyers (UAS). This new organization for members of the legal profession will represent the disbanding of Somozist lawyers' organizations, which included even shysters, according to Dr. Enrique Zelaya. The meeting will take place at 1500 hours at the headquarters of the Sandinist Workers' Central. [Text] [Managua BARRICADA in Spanish 14 Sep p 4] 9085

REVOLUTION SQUARE EXPANDED--On Wednesday, 12 September, work began on the expansion of Revolution Square. Where the Social Club of Managua once stood, an area of land 100 meters by 80 meters is being prepared to provide space for the people's gatherings; for there has not been enough room for large masses of people. With this expansion, the Managua Reconstruction Board and the National Reconstruction Government are taking a step forward because our workers will thus be able to appear there in larger numbers and express their thoughts, unhindered by limitations of space or ability to participate. [Text] [Managua BARRICADA in Spanish 14 Sep 79 p 4] 9085

CSO: 3010

COMMENTARY REFLECTS ON FLOUNDERING STATUS OF DEMOCRACY

Caracas EL NACIONAL in Spanish 19 Sep 79 p A-4

[Commentary by Jose Vicente Rangel]

[Text] Not long ago, in some comments reported by the press, Juan Pablo Perez Alfonzo--perhaps the most lucid observer of our present situation--pointed out that Venezuela elects a dictator every 5 years. It is not that the people want a dictator every 5 years, or that the person occupying the presidency wants to be a dictator. The problem is that the country's authoritarian and despotic tradition has not been eliminated from our current institutions. Its influence is so great, it is so deeply ingrained in the social and political fabric of this nation, that it has manifested itself in our democratic institutions; it has taken them over and branded them. The nation's social and economic structure, its major institutions, have always corresponded to the old concept of the Venezuelan state; that is why the present constitution, a result of the democratic efforts of 1958, is for the most part ignored.

The president of the republic behaves like a dictator because he enjoys such tremendous power, and because there is a presidential tradition that encourages such power. Suffice it to note that every application or petition in the country always goes to the chief of state, because Venezuelans do not recognize any other channel. They do not trust in the effectiveness or power of other agencies.

Another reason for this strong executive branch is the atrophy of other agencies of public authority. The judicial and legislative branches are overshadowed by the colossal executive, and only occasionally do they show any signs of independence. Unhampered by the criticism that provides indispensable control, and by the checks and balances characteristic of a democratic system, the executive continues to overstep its bounds, as it has done throughout our history.

However, we must point out that these paternalistic and authoritarian traits are not unique to the executive branch in Venezuela; they are shared with others. This model is copied unwittingly on all levels of government. It is reproduced among ministers, in state governments, among civic leaders,

and among the chairmen of autonomous entities. It could be said that our country has a concentric dictatorship, which ranges from the tiniest circle to the largest one; far from diluting the stereotype of authoritarian centralism, it reinforces that image. At the same time, it weakens any coherent, truly directive action on the part of the state and the government.

The Venezuelan citizen has no defense mechanism. He is a victim of authoritarianism in all its diverse manifestations. He must put up with the acts and omissions of an arbitrary and ineffective state. That dictator whom Perez Alfonzo claims we elect every 5 years is also apparent de facto in all aspects of national life. Customers of the National Institute of Sanitation Works (INOS) are never listened to, and they are treated rudely. Those who use the services of the Electrical Administration and Development Company (CADAPE) and the National Autonomous Telephone Company of Venezuela (CANTV) must not only put up with the poorest service, but also tolerate periodic cut-offs with no recourse. The same thing happens with the National Housing Institute (INAVI), with the urban sanitation departments, the mail, with everything. These are small circles of arbitrary dictatorship which close in on the citizen. They remind me of what Manuel Bridier described in his work "La evolucion del poder real en la sociedad contemporanea" (The development of real power in contemporary society): "Thus, precisely when the state would seem to enjoy the greatest possible autonomy due to the neutralization of the different social classes, that is when it is polarized. The personalized nature of power helps conceal this fact." That is where the citizen finds himself in a trap, because the antibody, which should be true democracy through participation, does not exist or there is no desire to create it. Democracy as we know it in Venezuela is not interested in freeing itself, nor in burying an old authoritarian and paternal tradition; on the contrary, it is interested in cultivating this tradition as a source of power, even at the cost of its own deterioration, and of progressively weakening the action of the state.

8926

CSO: 3010

# PCV OBJECTS TO ANDEAN COUNTRIES' FOREIGN POLICY

Caracas TRIBUNA POPULAR in Spanish 21-27 Sep 79 p 3

[Text] When Venezuela joined the Andean Pact in 1973, the Communist Party of Venezuela (PCV) openly supported that decision both in and out of Parliament, feeling that this method of integration could help resist the penetration of the large international monopolies in this area. Another reason for its support was that Decision 24 of the Cartagena Agreement, which established time limits for the conversion of foreign firms into mixed enterprises, which would in turn be converted into enterprises with an absolute majority of Venezuelan capital, was eventually to become a valuable tool in the struggle against imperialism.

However, shortly after our country formalized its membership in the Pact, the configuration of forces in the organization changed: Allende's Chile fell into the hands of U.S. Big Business through the fascist Pinochet; in Bolivia the reactionary dictatorship of Banzer was installed; and the pressures and manipulations of the multinationals resulted not only in modifications of the time periods limiting foreign capital investments in the sub-region, but also in substantial changes in the spirit and objectives of the clause itself. Nevertheless, several victories in the area of integration have been attained, and given the present state of deterioration of American influence in the world and in Latin America, our party feels it is still possible for the Pact to play a positive role, as long as the escapist maneuvers of international Big Business are really confronted.

We are deeply concerned, however, about the international political activities which the Andean bloc has been engaging in recently, with Venezuela at the helm. Foreign Minister Zambrano Velazco's trip to Central America to confer with the dictators of El Salvador, Guatemala and Honduras, who are already terrified by recent events in Nicaragua and insurgencies in their own countries, tends to confirm our fears. It is certainly not Venezuela's place to have conversations with Central American despots, nor to offer them credit in exchange for their putting up a "democratized" facade in their repressive regimes in order to calm temporarily the justified anger of the people. Attitudes like this can only contribute to prolonged suffering by the people, and to a disruption of international solidarity. In Guatemala or El Salvador, where tens of thousands

of men and women have been murdered at the hands of the present leaders, it would do no good for the government--under pressure from Washington or its occasional envoys--to promise elections that would necessarily end in open fraud, if there is no change in the intrinsic nature of the regime.

For all these reasons, the Politburo of the PCV finds it necessary to alert national public opinion, the political parties and the workers in particular, to the risks of this policy, which has nothing to contribute to Venezuela's prestige or to effective aid to our brother nations in their progress towards emancipation from the shackles of imperialism.

Caracas, 10 September 1979.

Politburo of the PCV Central Committee.

8926

CSO: 3010



## 1978 FOREIGN TRADE DEFICIT REPORTED

Caracas EL NACIONAL in Spanish 26 Sep 79 p D-12

[Article by Hugo Lopez]

[Text] Venezuela's balance of trade with its main trade partners at the end of 1978 showed a negative balance of over \$10 billion (equivalent to over 44.7 billion bolivars), for imports and exports of nontraditional products.

By including traditional export items--with petroleum and iron being in the lead--the deficit in the balance of trade is reduced to \$1 billion 212.2 million (over 5.212 billion bolivars), according to preliminary figures released yesterday by the ICE [Foreign Trade Institute].

According to the ICE statistics, starting in 1975, there have been major annual increases in imports. In 1975, imports came to \$5.309 billion; in 1976, imports rose to \$6.772 billion, in 1977 to \$9 billion 749.2 million, and in 1978, to \$10 billion 404.2 million.

The rate of growth of nontraditional exports has been slow, with a decline in 1977 that was made up the following year. In 1975 this category came to a total of \$212.4 million; in 1976 it rose to \$283 million, in 1977 it dropped to \$269 million, and in 1978, it rose to \$330 million.

Exports of traditional products, with petroleum and iron being among the most important items, in 1975 came to a total of \$8 billion 769.5 million, in 1976 to \$9 billion 548.3 million; in 1977 and in 1978 these exports declined to \$9 billion 534.3 million and \$9 billion 192 million, respectively.

These figures were supplied by the Central Bank of Venezuela.

## The Ten Principal Clients

During 1978 Venezuela's trade with its ten principal clients showed a negative balance of \$1 billion 429.1 million, which is equivalent to 6.145 billion bolivars.

In that period total exports came to \$9,174 billion, while imports were \$10 billion 603.1 million.

Venezuela's ten principal foreign trade clients are: the United States, Aruba, Curacao, Colombia, Brazil, Panama, the Benelux countries, Honduras, Japan, and the Federal Republic of Germany. Venezuela's largest importer is the United States with \$3.082 billion, followed by Aruba with \$1 billion 332.4 million. As to imports from these countries, the United States is in first place with \$4.384 billion, followed by Japan with \$1 billion 14.1 million, and the Federal Republic of Germany with \$973.3 million.

## Products Imported

Based on data supplied by the Foreign Trade Institute, the ten major products imported in 1978 were the following: totally disassembled automobiles; machinery for metal repair; unspecified vessels, trucks and vans up to 1,000 kilos, totally disassembled; generators over 1,000 Kva; iron or ordinary steel seamless pipes with a coating of other metals; excavation, leveling, and grading equipment; wheat; trucks and vans of over 4,000 kilos, totally disassembled; and aerodynes that operate with propulsion equipment.

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CSO: 3010

PETROVEN HEAD ANSWERS PCV CORRUPTION CHARGES

Larrazabal Accusation

Caracas TRIBUNA POPULAR in Spanish 21-27 Sep 79 p 9

[Text] The president of the Venezuelan Petroleum Company (PETROVEN), retired Gen Rafael Alfonso Ravard, was accused of being involved in administrative corruption. The accusation was made to the minister of energy and mines by the representative of the Communist Party of Venezuela (PCV) to the National Energy Council, Radames Larrazabal. He made his accusation in a letter which is reprinted below.

It is claimed that Rafael Alfonso Ravard, when he was still president of the Venezuelan Corporation of Guayana, formed a company called Arinagua C.A., whose majority stockholder was himself. The other stockholders were all relatives of his, such as Miguel Alfonso Ravard. This construction company contracted with Alcasa and Venaluz (state enterprises that are subsidiaries of the Venezuelan Corporation of Guayana) for a project involving 440 homes, at a cost of more than 76 million bolivars.

There is proof, and the PCV is willing to turn it over to President Luis Herrera so that he will fulfill his public promise. In this case, implicating an official of the previous administration who was ratified by this administration, there is no escape. The retired general settled the contract himself, and charged himself no less than 76 million bolivars. The proof (the contract and the formation of Arinagua) is there for anyone to see. Now it is up to you, President Herrera.

Caracas, 20 September 1979.

Citizen

Minister of Energy and Mines

President of the Board of Stockholders of the Venezuelan Petroleum Company

President of the National Energy Council

His office

We have come into possession of some documents referring to activities which involve the recently named president of the Board of Directors of the Venezuelan Petroleum Company, for whose actions you are responsible as a representative of the Venezuelan Government.

On 22 January, 1976, before the Notary Public of Puerto Ordaz, District of Caramoni, State of Bolivar, a document was protocolized in which Alcasa and Venalum contracted with the firm Arimagua C.A., in which retired Gen Rafael Alfonso Ravard and some of his relatives have shares, for the construction, financing and leasing of a housing project of 440 units, as well as the maintenance of those units built and to be built on the parcel selected by the contracting parties. Arimagua was represented on that occasion by its manager, Eduardo A. Ellenberg, also a stockholder.

The contract stipulates that Arimagua C.A. receives a lease on 50 units already built by Alcasa-Venalum, which are transferred to Arimagua in the form of an advance payment.

Other terms of the contract are: a) The land owned by CVG would be transferred to Arimagua for the execution of the above-mentioned program. b) Alcasa and Venalum would be obligated to purchase the project units. c) The cost would be 76,476,420 bolivars. Alcasa and Venalum would have to make a payment of 6,476,442 bolivars within the following 60 days.

Here is a brief history of Arimagua C.A.: It was begun with capital stock totaling 1 million bolivars, subscribed in the following manner: Rafael Alfonso Ravard, 700,000 bolivars; Miguel Alfonso Ravard, 100,000 bolivars and Eduardo A. Ellenberg, 200,000 bolivars. According to a resolution passed by the board of directors at its meetings of 4 December 1974 and 25 February 1975, the stockholders proceeded to cancel the remaining capital that was subscribed but not paid by them.

On 1 July 1975 there was a new 500,000-bolivar increase in the capital stock. The capital stock was then distributed thus: Rafael Alfonso Ravard, 1,050,000; Miguel Alfonso Ravard, 150,000; Eduardo A. Ellenberg D., 300,000.

By 30 September 1975, the situation was as follows: Rafael Alfonso Ravard with 300 shares, Inversiones Renvisa C.A., represented by Bernardo Wallis (Rafael Alfonso Ravard's brother-in-law), 750 shares; Miguel Alfonso Ravard, 150 shares; Eduardo A. Ellenberg, 300 shares.

By 15 March 1977 the situation was as follows: Inversora Renvisa C.A., represented by Bernardo Wallis, 1,350 shares; Miguel Alfonso Ravard, 150 shares.

By 16 June 1978, according to Government Registry of Commercial Concerns No. 4, Volume 50-A et seq., capital stock had been subscribed and partially paid in the following manner: Inversiones Renvisa C.A., 2.7 million bolivars; Miguel Alfonso Ravard, 300,000 bolivars.

From the contract between Alcasa and Venalum and Arinagua C.A., and from the history of the latter construction firm, which was formed when retired Gen Alfonso Ravard was still president of the CVC (we are enclosing copies of both documents), it can be seen that certain situations must be investigated.

Sincerely,

Radames Larrasabal

PC/ Representative to the National Energy Council

#### Alfonso Ravard's Response

Caracas EL UNIVERSAL in Spanish 22 Sep 79 p 2-1

[Text] Gen Rafael Alfonso Ravard, president of PETROVEN, sent the press a copy of the letter he wrote to Minister of Energy and Mines Humberto Calderon Berti. The letter responds to accusations by Communist leader Radames Larrasabal in TRIBUNA POPULAR.

The text of Gen Alfonso Ravard's letter follows:

Citizen

Dr. Humberto Calderon Berti

Minister of Energy and Mines

Via office

Dear Minister Calderon:

The weekly TRIBUNA POPULAR, official organ of the Communist Party of Venezuela, has published in this week's edition a letter sent by Radames Larrasabal to the minister of energy and mines. That letter contains distortions of dates and circumstances for the purpose of implicating me in actions which are offensive to my honor and reputation. I do not know the reasons behind this irresponsible act; perhaps the purpose is to lower the public's estimation of me, given that I have been accused of creating the firm Arinagua and of contracting with the state enterprises Alcasa and Venalum during the time that I was president of the Venezuelan Corporation of Guayana.

Without trying to stir up controversy, for as all Venezuelans know that is not my style, I would like to clarify that I occupied the presidency of the CVC until March 1974, when I was replaced by Dr. Argenis Canboa. After that date, as is well known, I devoted my time exclusively to practicing my profession as an engineer, and to my private business affairs, free of any interference or obligation in public administration. As is my right as a citizen, I opened an office, and on 18 July 1974, 4 months after I left the presidency of the Venezuelan Corporation of Guayana, I founded the engineering and construction firm known as Arinagua C.A. This enterprise really began its activities in January of 1975, 2 months after I left the CVC. At the same time, I was involved in the management of important commercial and industrial enterprises.

in this country. I was invited to serve on the boards of directors of these firms, and I am a legitimate shareholder in some of them. All this falls within the ethical standards which have governed my life in public as well as private activities.

When I was named president of the Venezuelan Petroleum Company on 29 August 1975, even though the Organic Law Reserving to the State the Industry and Trade of Hydrocarbons excludes oil industry personnel from the category of public employees, I took the precaution of making a sworn statement of my assets. This was a demonstration of the good faith and clarity which characterize my public activities. Moreover, I immediately resigned from the directory positions that I had accepted in the private sector so that I could fully devote myself to the presidency of PETROVEN, as I have always done and will continue to do. Of course, this does not mean that I have given up my legally and honestly acquired assets, nor that I have abandoned my private interests. They are being managed by the people I have entrusted with that task. It is completely false that I created any enterprise that had any relation or business with the Venezuelan Corporation of Guayana or any other state enterprise during my presidency of that organization. It is also false that the above-mentioned firm Arimagua was formed during my presidency of the CVG. For that purpose, I am enclosing a copy of a notification issued by the Government Registry of Commercial Concerns and published in the Journal of 21 November 1975. It states that the firm Arimagua was founded on 18 July 1974, and that I resigned my post as manager of the firm as of 30 September 1975.

Sincerely,

Venezuelan Petroleum Company  
Gen Rafael Alfonso Ravard, President

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CSD: 3010



## VENEZUELA

### DOUGLAS BRAVO REJECTS PRESIDENT'S PARDON

Caracas ULTIMAS NOTICIAS in Spanish 26 Sep 79 p 44

[Article by Desiree Santos Amaral]

[Text] Douglas Bravo, secretary general of the PRV [Party of the Venezuelan Revolution], will not accept the pardon recently granted him by the president of the republic, Luis Herrera Campins, because "the amnesty should be general." This was reported in a document of the Rupture Political Movement which fully supports the statements made last June by the former guerrilla commander.

Douglas Bravo has been underground for 18 years; the front pages of the newspapers yesterday reported the news about the pardon offered the secretary general of the PRV.

An attempt to locate the revolutionary leader was unsuccessful. Douglas Bravo could not be reached in order to ascertain his thoughts about the pardon given him.

Nonetheless during the afternoon a document of the MPR [Rupture Political Movement] was released. It was signed by, among others, Dr Argelia Melet de Bravo, the wife of the former leader; Diego Salazar, Gloria Martin, Angel Marquez, Kleber Ramirez, Serio Briceno, and Carmen Morales. This document reported the position taken by this organization on the presidential move.

The MPR fully supports the statements made in June by Douglas Bravo about the steps taken by the government.

"In our country legal treatment for revolutionaries is a concession made by the ruling classes, since everyday the struggles of the workers to defend labor union freedoms, wage increases, etc., are hindered not only by the actions of repressive organizations but also by a sophisticated anti-workers legislation," points out the document, which goes on to say that "the pardons granted by the president of the republic are essentially designed to create an apparent democratic overture, but in practice they increase the repression of the most destitute classes by steps such as decontrol of prices. This is a policy of unrestricted support for monopolies."

The MPR agrees with the statements made by Douglas Bravo when he said that "the government, rather than a general amnesty, preferred to take a series of partial steps--as all the governments here since 1958 have done--and these steps do not make a broad-based policy,"

"Today, as on that occasion," said the MPR, "the pardons are being offered a very limited number of people. But everyone in Venezuela knows that there are large numbers of Venezuelans who are either in prison or are being persecuted, as is the case of Rafael Ladera, Felipe Antonio Quintero Padron, Carlos Lanz, Cristobal Colmenares, Elegido Sibada, Daniel Buitrago, Armando Daza, Noel Avila, Dimas Petit, Gabriel Puerta, Ali Rodriguez, Julio Chirinos, and others."

Then the MPR referred to another part of the statement made in June by Douglas Bravo, which it termed a valuable contribution to our national reconciliation. At that time the leader of the PRV said: "Venezuela has had two traditions which have lasted from the 19th century up to our times. One is that civilian and military leaders arise, and if they do not win in some way, the leaders go into the government or to the streets tranquilly, while those who supported them remain in conditions of inferiority, are held as prisoners, or are assassinated in the streets. The other tradition is that the political or military leader who arises, when he fails, suffers the same fate as those who supported him. We will suffer the fate of all those who took up arms and accompanied us. The amnesty must be a general amnesty."

Finally, the MPR calls for the formation of a broad-based movement to win a legal status for the popular movement, based on its own strength and with a program that includes 50 percent wage increases, a minimum salary of 50 bolivars, a sliding

wage scale, a program which takes a stand against anti-workers legislation, and for the elimination of Decree 40 and regulations 11 and 35,

This is the MPR's response to the steps taken by the national government. The amnesty must be a general amnesty, and not just for a small group of people. That is also the position taken by Douglas Bravo. The former guerrilla leader does not accept the pardon, according to the MPR's statement.

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CSO: 3010

## VENEZUELA

### BRIEFS

ZULIA OIL PRODUCTION--Maracaibo, 25 Sep. Zulia's oil production accounts for 80 percent of the nation's total production. Last Friday it came to 1,902,395 barrels a day. Engineer Luis Gonzalez, technical hydrocarbons inspector for the western region, said that LAGOVEN is the PETROVEN [Venezuelan Petroleum Corporation] subsidiary that is responsible for the largest part of the national production. Its figure for last Friday was 903,942 barrels a day (48 percent), while MARAVEN produced 652,942 barrels a day (34 percent), CORPOVEN 222,891 (12 percent), and MENEVEN 123,148 barrels a day (6 percent), according to figures for that day. Since the beginning of September until Friday, 21 September, there has been an increase of 20,000 barrels a day over August. In general, all the subsidiaries have maintained their production, with the exception of MENEVEN, which in August had a low production. It has been recovering in September, and this accounts for the increase. Gonzalez said that the Bolivar district is the most productive, followed by Lagunillas, Baralt, Urdaneta, Maracaibo, Colon, and Perija. The subsidiaries are authorized to produce the largest possible amount of heavy crudes and CORPOVEN is now in the process of reconditioning its facilities at Campo Boscan in the Urdaneta district in order to reactivate production which had been declining. The heavy crudes produced there have now been placed in the international markets. [Text] [Caracas EL NACIONAL in Spanish 26 Sep 79 p D-3] 7679

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